



CITY OF BRADFORD

Strategic Management Planning Program,
January 2022



PENNSYLVANIA
ECONOMY LEAGUE

Information, Insight, Integrity.

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CHAPTER 1 GOVERNMENT STRUCTURE AND DEMOGRAPHICS

In 2021, the Pennsylvania Economy League Central Division (PEL) and partners ARRO Consulting and Eckert Seamans undertook an analysis of the financial condition of the city of Bradford under the Commonwealth's Strategic Management Planning Program. The goals of the analysis were to determine the city's current and future overall financial condition.

The analysis involved a review of the city's financial reports, independent audits, debt payment schedules, pension obligations, the 2021 budget, other fiscal data, and additional relevant information and factors that may affect the current and future financial condition of the city, including sociodemographic data. Furthermore, PEL staff participated in discussions with city officials.

PEL acknowledges and appreciates the full cooperation of all who contributed to the preparation of this study, including the Bradford elected officials, city manager Chris Lucco and the rest of the city staff. The analysis could not have been successfully completed without their assistance.

During this project, PEL:

- Analyzed the city's financial history from 2016 through 2020 focusing on such factors as revenues, expenditures, tax base, operating positions, and debt structure.
- Examined the historical data and the 2020 and 2021 budgets in relation to ongoing operations, salary and benefit requirements and other obligations of the city.
- Reviewed all tax bases and revenues, major user fees and other revenue sources.
- Projected, to the extent possible based on known factors and available data, revenues, and expenditures for 2021 through 2025 assuming continuation of obligated levels of wages and operations, existing revenue patterns and other operating trends.
- Made recommendations to assist the city in developing and improving its administration, public works, economic development, and public safety services.

Government Overview

Introduction

The existence of municipal governments in Pennsylvania is authorized by the Pennsylvania Constitution and state law. All land within the commonwealth is incorporated by law as a municipality with its own government. There are three primary types or classifications of municipal governments: cities (of the first, second, second class A or third class), cities and townships (of the first or second class).

Municipal governments in Pennsylvania are the principal providers of direct public services to citizens. Services often include, among others, police and fire protection, construction and maintenance of roadways and bridges, street lighting, parks and recreation facilities and programs, planning and zoning activities, enforcement of building and related codes, water treatment and

distribution, sewage collection and treatment, storm water management, solid waste collection and disposal, and recycling.

Location and Government Structure

The city of Bradford, McKean County, was settled in 1823 on the forks of the Tunungwant River as a lumber town initially called Littleton. Chartered as a city in 1879, Bradford is the largest municipality in McKean County and serves as the urban hub for the largely rural county. The city, which is 3.15 square miles, is located adjacent to the Allegheny National Forest near the New York state border, approximately 78 miles south of Buffalo, N.Y. It is bordered by Bradford Township and Foster Township.

Bradford was a boomtown during Pennsylvania's oil rush in the late 19th century, causing its population to double by 1930. Population since then has declined by half. The Bradford Armory, Bradford Downtown Historic District, Bradford Old City Hall, and the Rufus Barrett Stone House are all listed on the National Register of Historic Places.

Bradford is the home of Zippo, (est. 1932), a manufacturer of collectible pocket lighters, and Case (est. in Bradford in 1905), which is owned by Zippo and makes hunting, fishing, folding pocketknives, and collectibles. The American Refining Group (formerly Kendall), and their line of specialty products are also located in the city. Along with being Bradford's longest running active business, ARG is the oldest continuously operating refinery in the United States.

The University of Pittsburgh at Bradford campus is located nearby. In May 2017, Pitt-Bradford opened the Marilyn Horne Museum and Exhibit Center in downtown Bradford. Other major cultural assets include the Zippo/Case Museum, which draws visitors from around the world, and the Bradford Creative and Performing Arts Center.

Bradford operates under the commission form of government in Pennsylvania's Third-Class City Code. Under this form of government, an elected mayor and four, at-large council members comprise city council with the mayor presiding. The mayor and each council member oversee a city department to include public affairs, public safety, public works, accounts and finance, and parks and public property. Council serves as the legislative body by setting policy, enacting ordinances, and resolutions, adopting budgets, and levying taxes. There is also a full-time elected treasurer and part-time elected controller.

Overview of Government Services, Staffing, Taxes, and Fees

Day-to-day oversight in the city is provided by the appointed city administrator, who serves as the Chief Administrative Officer. Five full-time employees make up personnel and administration including the permit secretary, refuse billing clerk, human resources director, fiscal assistant, and an administrative assistant. Taxes are collected by the treasurer assisted by two clerks.

Public safety includes full-time police, fire, and emergency medical services. There are 20 employees in the fire department including a chief, five ambulance firefighters, and one code enforcement officer. The police department is staffed by 18 members including a chief, two juvenile officers, three parkway security officers and two school resource officers. Public works performs highway

maintenance, refuse collection and related duties with a staff of 19. The city staff also includes an electrician and parks foreman.

The Property Maintenance Department manages the rental registration and inspection program, responding to codes and nuisance complaints, managing dilapidated, nuisance properties and managing the sales disclosure inspection process.

The Office of Economic and Community Development operates its financial system independently of the city, but its staff is considered employees of the city. The office includes a director, accountant, and Main Street manager, as well as two carpenters, two construction employees, and one maintenance worker.

In 2021, Bradford real estate taxes are 18.52 mills, including 11.15 mills for general purpose, 3.39 mills for debt service, 0.15 for library, and 3.83 recreation. The resident earned income tax is 1.0 percent, which is split with the Bradford Area School District. Other taxes include: \$52, local services; 0.5 percent, realty transfer; \$5, per capita; 1.0 percent, business privilege/mercantile wholesale; 1.5 percent, business privilege/mercantile retail; and mechanical devices, \$50.

Demographic Patterns

The city of Bradford's demographics depicts a municipality suffering from a weakened tax base that has continued to decline. Population for the recently released 2020 Census showed a decrease of almost 1,000 residents, the largest decline since the 1980s. The reduction in population is a result of both natural decreases (more deaths than births) and people moving out of the city.

In addition to steady and increasing population loss, the city's wealth measurements are below both McKean County and the state. Housing values are significantly lower. Lower property values and lower income measurements negatively impact the tax base. Demographic measures also indicate an increase in rental and vacant properties, which can contribute to blight.

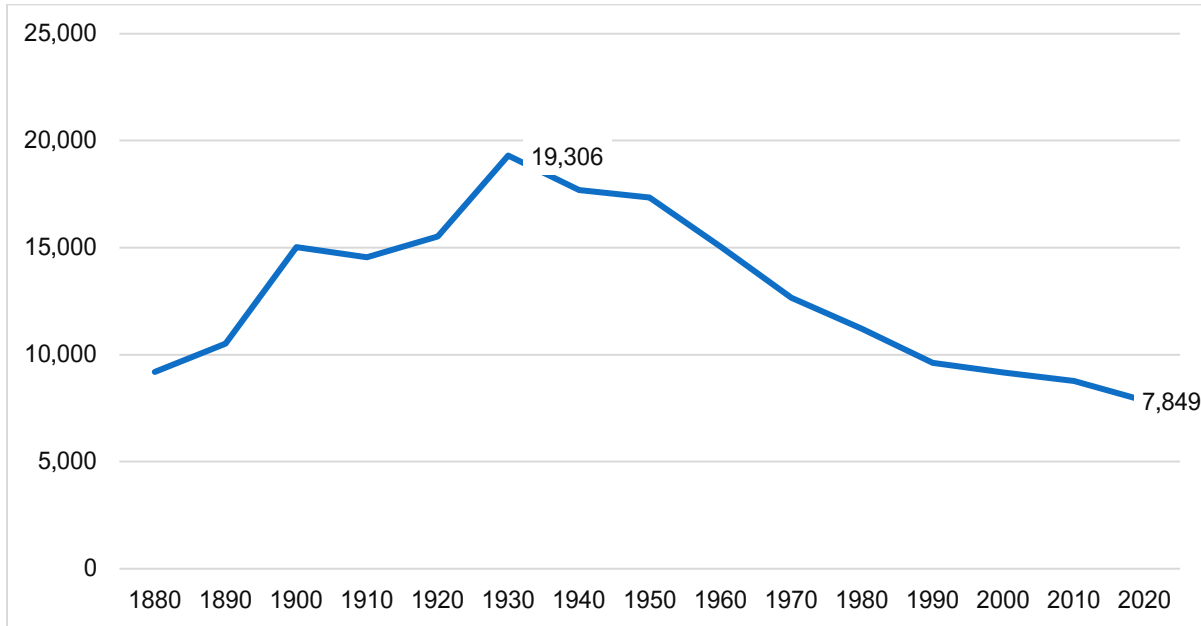
As of the writing of this report, figures on total population and racial characteristics have been released from the 2020 Census. Other tables make use of American Community Survey 2019 estimated numbers, which are the latest available.

Population

The city's peak historical population of 19,306 occurred in 1930. Population has steadily declined since then.

Figure 1-1

City of Bradford Historical Population, 1880 to 2020



The 2020 U.S. Census shows that city population declined by almost 1,000 people from 2010 to 2020, a higher population loss than in the prior two decades. From 1970 to 2020, the city’s population dropped by more than one-third. Population in McKean County overall declined by 22 percent during the same period.

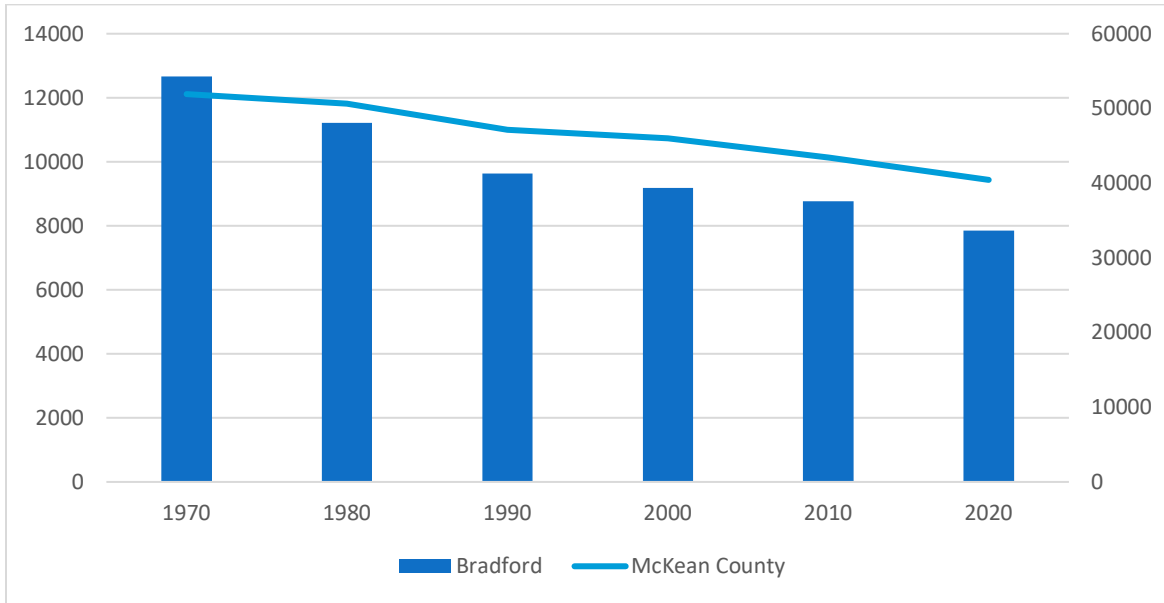
Table 1-1

Bradford and McKean County Total Population 1970 to 2020

	1970	1980	1990	2000	2010	2020	Change 1970 - 2020	
							#	%
City of Bradford	12,672	11,211	9,625	9,175	8,770	7,849	-4,823	-38.1
McKean County	51,915	50,653	47,131	45,963	43,450	40,432	-11,483	-22.1

Figure 1-2

Bradford and McKean County Population, 1970 to 2020



Population by Age

While population overall has declined, the percentage in the 18 to 64 working age population has grown from 56 percent to 60 percent of the total. The under age 18 cohort accounts for roughly one-quarter of the population with those 65 and over just over 15 percent of the total population.

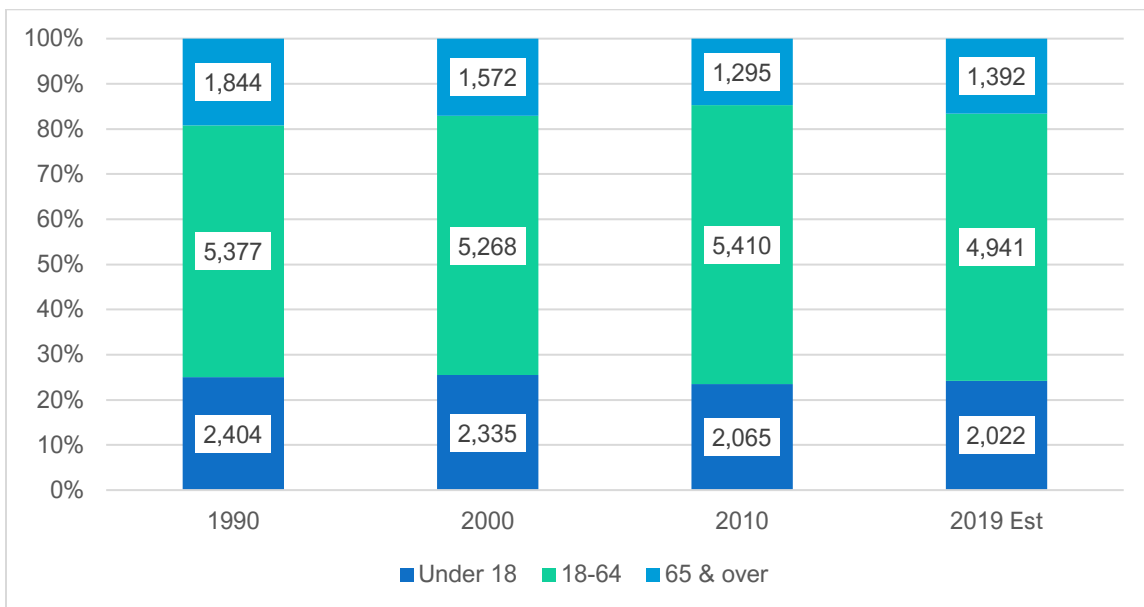
Table 1-2

Bradford Population by Age, 1990 to 2019

Age Group	Total Population					Percent of Total			
	1990	2000	2010	2019 Est	Change 1990-2019	1990	2000	2010	2019 Est
	#	#	#	#	#	%	%	%	
Under 18	2,404	2,335	2,065	2,022	-382	25.0	25.4	23.5	24.2
18-64	5,377	5,268	5,410	4,941	-436	55.9	57.4	61.7	59.1
65 & over	1,844	1,572	1,295	1,392	-452	19.2	17.1	14.8	16.7
Total Population	9,625	9,175	8,770	8,355	-1,270	100.0	100.0	100.0	100.0

Figure 1-3

Bradford Population by Age, 1990 to 2019



Net Migration

Bradford's population decline is a function of both deaths exceeding births (natural population change) and outmigration (people moving out of the city).

Table 1-3

Bradford Net Migration, 1990 to 2019

	1990 to 1999	2000 to 2009	2010 to 2019	1990 to 2019
Total Population (start)	9,625	9,175	8,770	9,625
Total Population (end)	9,175	8,770	8,355	8,355
Total Population Change (a)	-450	-405	-415	-1,270
Births	1,458	1,311	1,101	3,870
Deaths	1,524	1,353	1,264	4,141
Natural Pop. Change (b)	-66	-42	-163	-271
Net Migration (a minus b)	-384	-363	-252	-999

Race

The city of Bradford remains a predominately white community although there was an increase in 2020 of people reporting two or more races and Hispanic or Latino or any race.

Table 1-4

Bradford Population by Race, 1990 to 2020

	Total Population				Percent of Total			
	1990	2000	2010	2020	1990	2000	2010	2020
	#	#	#	#	%	%	%	%
White alone	9,426	8,968	8,650	7,129	97.9	97.7	96.4	90.8
Black or African American alone	68	45	86	72	0.7	0.5	1.0	0.9
American Indian and Alaska Native alone	46	28	33	47	0.5	0.3	0.4	0.6
Asian alone	56	48	64	50	0.6	0.5	0.7	0.6
Native Hawaiian and Other Pacific Islander alone	0	3	2	2	0.0	0.0	0.0	0.0
Some other race alone	29	25	21	71	0.3	0.3	0.2	0.9
Two or more races	**	58	120	478	**	0.6	1.3	6.1
Total	9,625	9,175	8,976	7,849	100.0	100.0	100.0	100.0
Hispanic or Latino of any race	77	87	119	154	0.8	0.9	1.3	2.0
Not Hispanic or Latino of any race	9,548	9,088	8,857	7,695	99.2	99.1	98.7	98.0
Total	9,625	9,175	8,976	7,849	100.0	100.0	100.0	100.0

Housing

Owner Occupied, Renter Occupied and Vacant Housing Units

The number of owner-occupied housing units has declined from just over half to approximately 45 percent of total units. Meanwhile, the number of renter occupied and vacant housing units have grown.

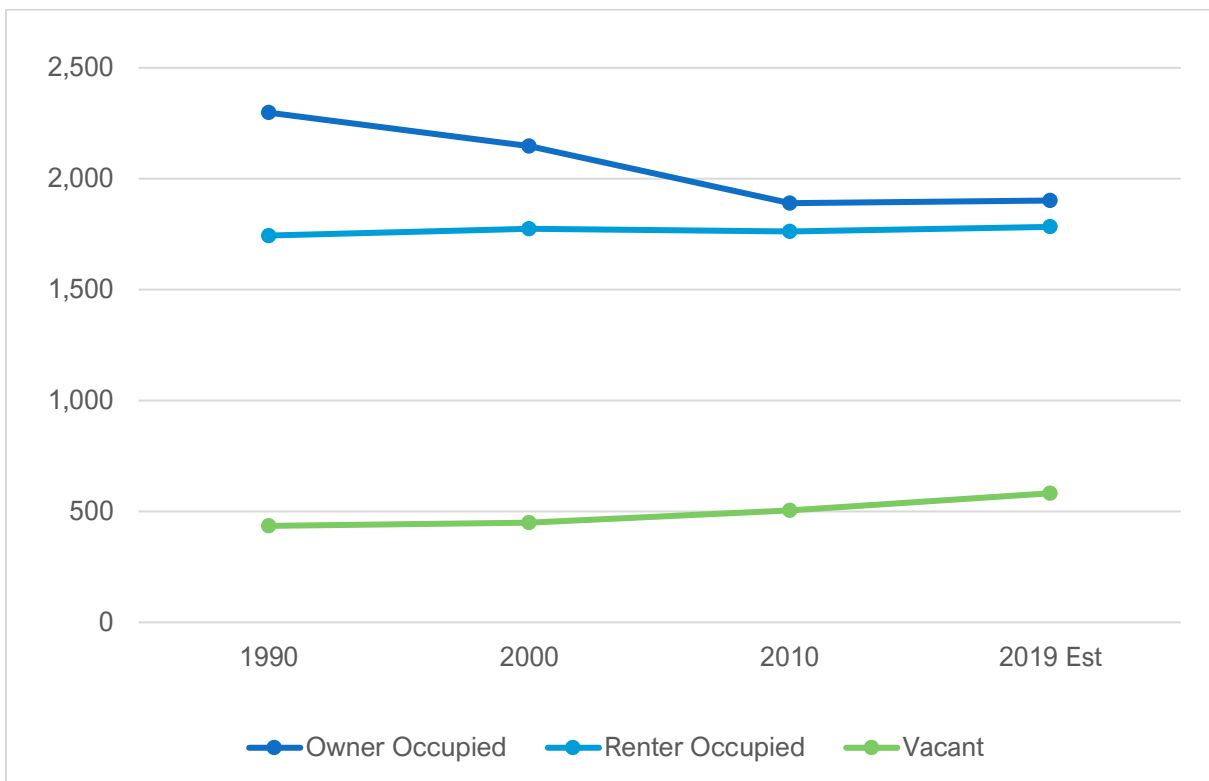
Table 1-5

Owner occupied, renter occupied and vacant housing in Bradford, 1990 to 2019

	Total Housing Units					Percent of Total			
	1990	2000	2010	2019 Est	Change 1990-2019	1990	2000	2010	2019 Est
	#	#	#	#	#	%	%	%	%
Owner Occupied	2,298	2,148	1,890	1,901	-397	51.3	49.1	45.5	44.6
Renter Occupied	1,744	1,774	1,763	1,783	39	39.0	40.6	42.4	41.8
Total Occupied	4,042	3,922	3,653	3,684	-358	90.3	89.7	87.9	86.4
Vacant	435	449	504	582	147	9.7	10.3	12.1	13.6
Total Units	4,477	4,371	4,157	4,266	-211	100.0	100.0	100.0	100.0

Figure 1-4

Owner occupied, renter occupied and vacant housing units in Bradford, 1990 to 2019



Median Housing Value of an Owner-Occupied Home

Housing values in the city are well below the county and state overall and have grown at a slower pace. The median value of an owner-occupied house in the state was estimated at \$192,600 in 2019, which was more than triple the median value in the city.

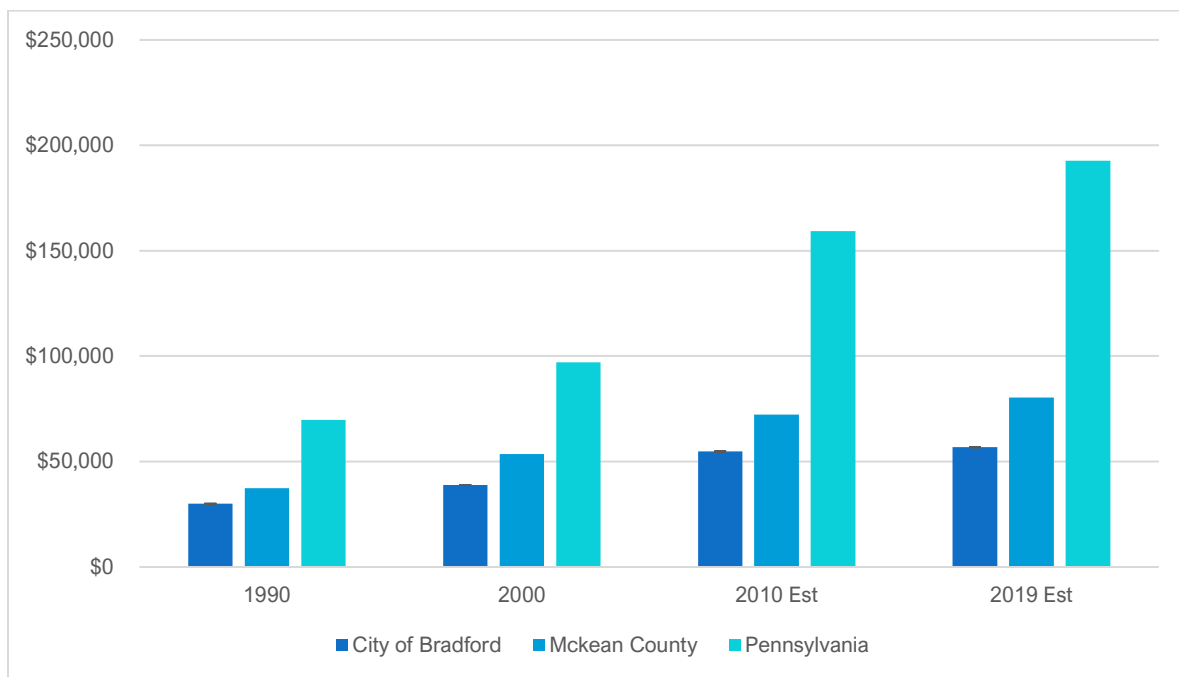
Table 1-6

Median Housing Value of an Owner-Occupied Home, Bradford, McKean County and Pennsylvania, 1990 to 2019

	1990	2000	2010 Est	2019 Est	Change 1990 - 2019	
					\$	%
City of Bradford	\$30,010	\$38,900	\$54,800	\$56,800	26,790	89.3
McKean County	\$37,400	\$53,500	\$72,300	\$80,400	43,000	115.0
Pennsylvania	\$69,700	\$97,000	\$159,300	\$192,600	122,900	176.3

Figure 1-5

Median Housing Value of an Owner-Occupied Home, Bradford, McKean County and Pennsylvania, 1990 to 2019



Income

Per Capita Income

Per capita income in the city is below both the county and the state, and it has increased at a slower pace, like the housing values above. However, in this case, the rate of growth is somewhat more comparable.

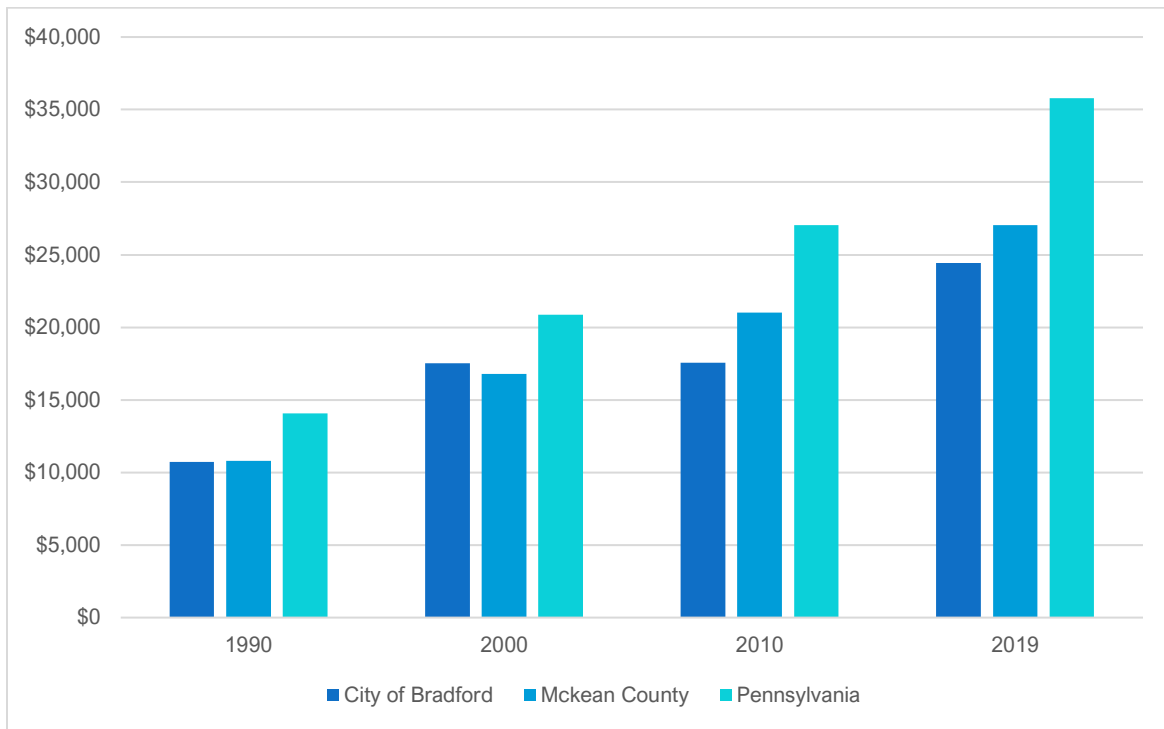
Table 1-7

Per Capita Income in Bradford, McKean County and Pennsylvania, 1990 to 2019

Per Capita Income	1990	2000	2010	2019	Change 1990-2019	
					\$	%
City of Bradford	\$10,722	\$17,537	\$17,561	\$24,433	\$13,711	127.9
McKean County	\$10,817	\$16,777	\$21,022	\$27,023	\$16,206	149.8
Pennsylvania	\$14,068	\$20,880	\$27,049	\$35,804	\$21,736	154.5

Figure 1-6

Per Capita Income in Bradford, McKean County and Pennsylvania, 1990 to 2019



Median Household Income

Median household income follows the same pattern as per capita income with the city consistently below the county and the state in terms of the overall amount and rate of growth.

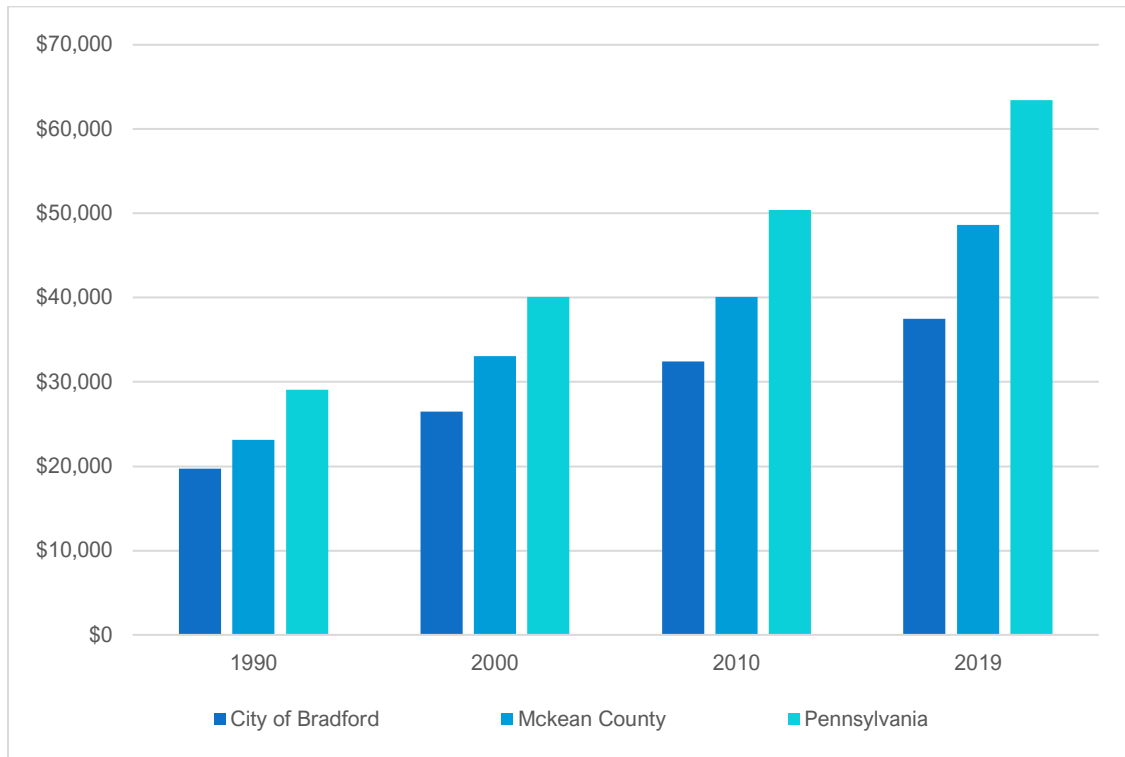
Table 1-8

Median Household Income in Bradford, McKean County and Pennsylvania, 1990 to 2019

	1990	2000	2010	2019	Change 1990-2019	
					\$	%
City of Bradford	\$19,701	\$26,463	\$32,406	\$37,473	17,772	90.2
McKean County	\$23,108	\$33,040	\$40,097	\$48,647	25,539	110.5
Pennsylvania	\$29,069	\$40,106	\$50,398	\$63,463	34,394	118.3

Figure 1-7

Median Household Income in Bradford, McKean County and Pennsylvania, 1990 to 2019



Families Below the Poverty Line

The city has more families below the poverty line than both the county and the state. The percentage in the city was relatively stable until the estimated 2019 when it increased by 6.5 points over 2010.

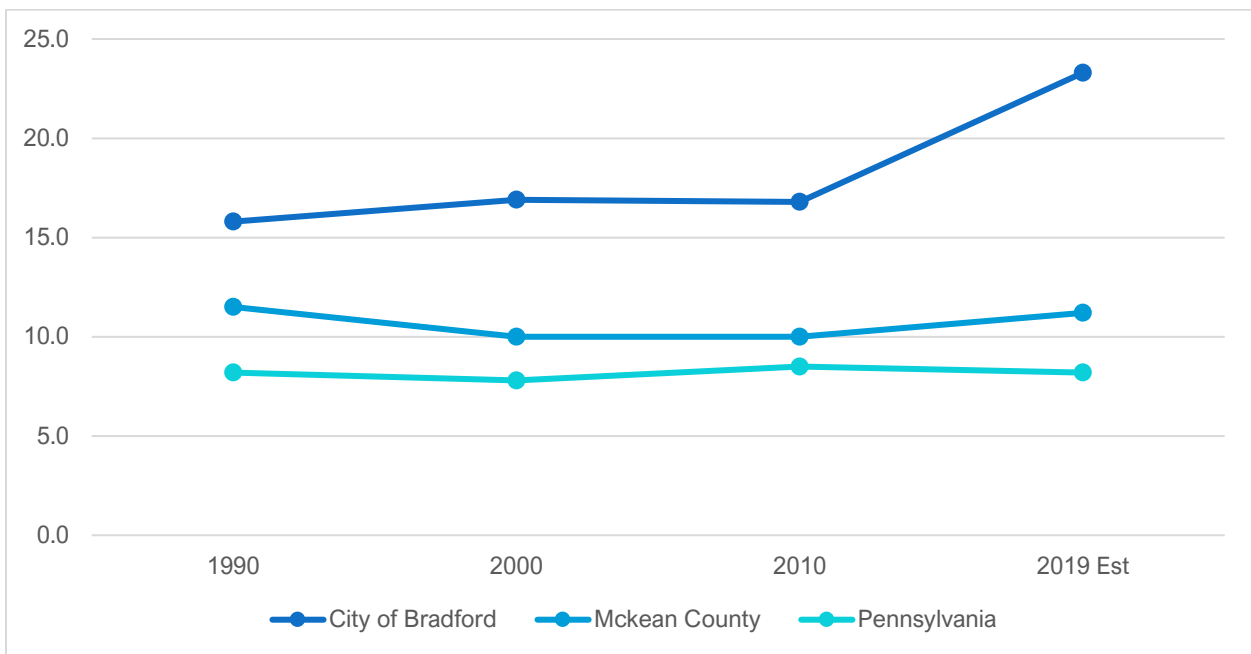
Table 1-9

Families Below the Poverty Line in Bradford, McKean County and Pennsylvania

	1990	2000	2010	2019 Est
City of Bradford	15.8	16.9	16.8	23.3
McKean County	11.5	10.0	10.0	11.2
Pennsylvania	8.2	7.8	8.5	8.2

Figure 1-8

Families Below the Poverty Line in Bradford, McKean County and Pennsylvania



CHAPTER 2 HISTORICAL FINANCIAL REVIEW

Introduction

The city of Bradford experienced surpluses in three out of five years of the historical review period; however, the 2020 surplus was the result of the city not making a \$1.3 million pension payment pending an anticipated reduction in that liability. In addition, the city still owed money on its 2019 pension payment¹ in 2020, with 2019 ending in a deficit. The 2020 pension liability was erased with the completion of a Pension Obligation Bond Pool in 2021 but the outstanding 2019 payment remained as of January 2022.

Meanwhile, the city is expected to end 2021 with a surplus, in part because of the influx of American Rescue Plan Act funds.

The city's original intent to reduce pension expenditures was to complete the bond pool arrangement in 2020, which would have covered both the 2020 and the 2019 outstanding MMO payments. The bond pool was delayed in 2020 due to factors outside of the city's control. Lowering pension payments is critical to Bradford's future fiscal health.

The city also experienced both revenue and expenditure declines in 2020 related to the COVID-19 pandemic and to lower salaries for new city employees.

Property tax income, the largest source of general fund revenues, increased approximately 4 percent from 2016 to 2020, fueled in part by a 1 mill tax increase. Earned income tax revenue grew from 2016 to 2019 but declined in 2020, likely due to the pandemic.

The city's largest expenditure is salary and wages, followed by pension costs. The highest departmental expenditures are for public safety, which includes police and paid firefighters. The city's Office of Economic and Community Development operates outside of the city budget and is not included in this financial review.

Bradford's property tax rates are substantially higher than those in the rest of McKean County; however, the city provides a much more robust level of services such as the previously mentioned public safety. No other county municipality has paid firefighters and most receive police services at no charge from state police, although a few have small local police departments.

In the third-class city comparison, the dividing line in terms of cost is mostly the level of paid versus volunteer fire coverage. Given the amount and type of local industry in the city of Bradford, the level of fire protection appears appropriate, albeit costly.

Methodology

PEL compiled this historical review of the city's General Fund through analysis of year-end financial reports, independent audits, annual budgets, salary and benefit data, pension obligations and other

¹ The 2019 outstanding payment as of January 2022 was \$251,113

financial obligations, as well as interviews with city officials. The historical review concentrates on the General Fund.

Summary of Historical Financial Position

The city experienced surpluses in 2016, 2017 and 2020, with deficits recorded in 2018 and 2019. Revenues grew from 2016 to 2019 but then declined in 2020, due to the COVID-19 pandemic and a change in business privilege/mercantile tax collection. Revenue growth was assisted by property tax increases in 2017 and 2020.

Expenditures also grew from 2016 to 2019 and then declined in 2020 because of the pandemic and the impact of lower wages from new city employees. Revenues and expenditures were both lower in 2020 compared to the start of the historical review period in 2016.

Table 2-1²

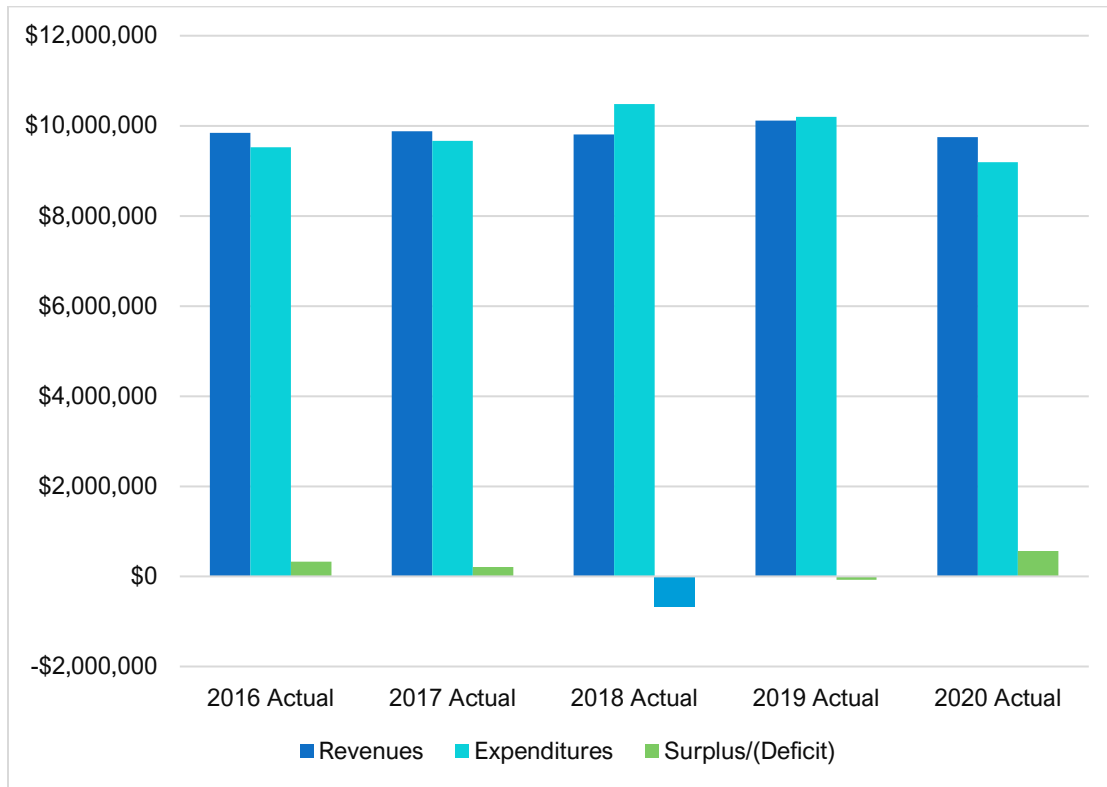
Historical revenues, expenditures, and surplus/(deficit)

	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	%
Revenues	\$9,844,204	\$9,877,008	\$9,812,307	\$10,120,928	\$9,746,687	-97,517	-1.0
Expenditures	\$9,521,789	\$9,669,008	\$10,482,076	\$10,197,072	\$9,187,025	-334,764	-3.5
Surplus/(Deficit)	\$322,415	\$208,001	-\$669,770	-\$76,144	\$559,662		

² Includes TRAN Revenue

Figure 2-1

Historical revenues, expenditures, and surplus/(deficit)



Total Revenues

The city’s largest revenue source is taxes (See Table 2-2), which accounts for over 50 percent of total revenues. Non-tax revenue contributes approximately 40 percent, followed by transfers.

Transfers into the general fund were mostly from the capital reserve fund. This transfer of funds is generally used to pay year end bills. Transfers are depicted in more detail later in the chapter.

Table 2-2³
Total Revenues

	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	%
Tax Revenue	\$4,579,681	\$4,766,603	\$4,570,328	\$4,673,262	\$4,516,208	-63,472	-1.4
Nontax Revenue	\$3,516,131	\$3,465,103	\$3,394,708	\$3,593,126	\$3,508,725	-7,406	-0.2
Transfers	\$512,675	\$400,000	\$468,000	\$515,315	\$350,000	-162,675	-31.7
Total	\$8,608,486	\$8,631,706	\$8,433,036	\$8,781,703	\$8,374,933	-233,553	-2.7

³ Excludes TRAN Revenue

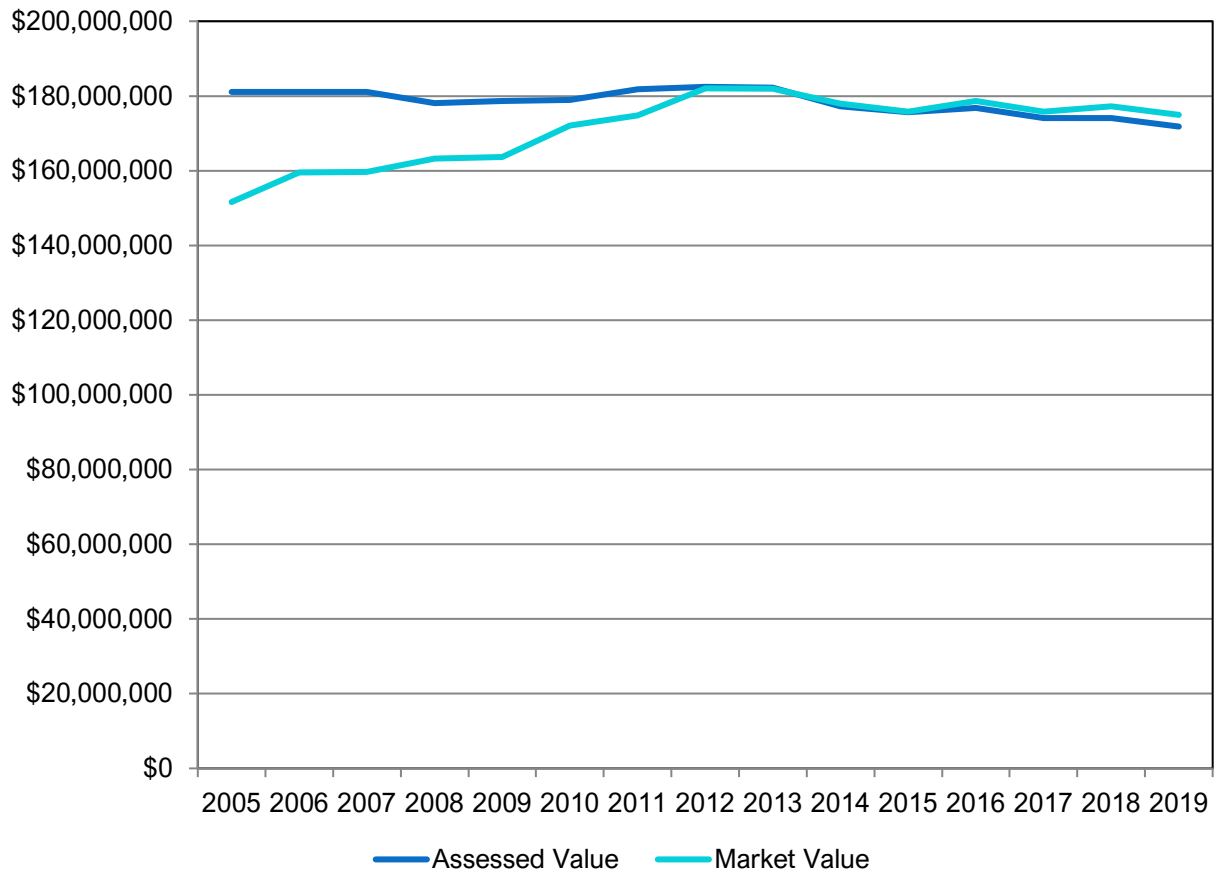
Assessed Value and Taxes

McKean County calculates assessed value for the city of Bradford. The city lost assessed value in five out of the seven years from 2013 to 2019, amounting to a 4 percent decline since 2010. Market value as calculated by STEB also declined in five out of the seven years, but growth in the other two years led to a very slight market value increase of almost 2 percent. Regardless, market value, like assessed value is relatively flat. This pattern indicates that the city will likely not experience much natural growth in property tax revenue in the projection period.

Table 2-3
Market Value Vs. Assessed Value

Year	Market Value	\$ Change	% Change	Assessed Value	\$ Change	% Change
2005	151,610,600	—	—	181,042,960	—	—
2006	159,577,200	7,966,600	5.3	181,102,840	59,880	0.0
2007	159,665,100	87,900	0.1	181,119,830	16,990	0.0
2008	163,177,271	3,512,171	2.2	178,143,140	(2,976,690)	(1.6)
2009	163,666,102	488,830	0.3	178,630,760	487,620	0.3
2010	172,144,832	8,478,730	5.2	178,954,700	323,940	0.2
2011	174,849,878	2,705,046	1.6	181,747,890	2,793,190	1.6
2012	182,034,636	7,184,759	4.1	182,445,400	697,510	0.4
2013	181,917,615	(117,021)	(0.1)	182,234,500	(210,900)	(0.1)
2014	177,982,087	(3,935,528)	(2.2)	177,265,360	(4,969,140)	(2.7)
2015	175,757,599	(2,224,488)	(1.2)	175,606,860	(1,658,500)	(0.9)
2016	178,679,527	2,921,928	1.7	176,770,800	1,163,940	0.7
2017	175,853,517	(2,826,010)	(1.6)	174,057,110	(2,713,690)	(1.5)
2018	177,185,677	1,332,160	0.8	174,068,010	10,900	0.0
2019	175,009,231	(2,176,446)	(1.2)	171,808,010	(2,260,000)	(1.3)
Change 2005 - 2019		23,398,631	0.2		(9,234,950)	(0.1)
Change 2010- 2019		2,864,400	1.6		(7,146,690)	(3.9)

Graph 2-2
Market Value Vs. Assessed Value



Tax Revenue

Over 60 percent of Bradford's total tax revenue comes from real estate taxes, which increased by 4.2 percent from 2016 to 2020 as shown in Table 2-4. The amount shown includes revenue from both general purpose and special purpose millage. Total property tax millage has increased by 1 mill since 2016 as depicted in Table 2-5.

General purpose millage was increased from 9.86 mills in 2016 to 10.46 mills in 2017, dropping to 9.81 mills in 2020. This millage amount is well below the Third-Class City Code limit of 30 mills for general purposes.

Recreation millage has grown from 3.82 mills in 2016 to 4.65 in 2020.

Debt service millage also increased from 3.7 mills in 2016 to 3.91 mills in 2020.

The result is that the revenue available for general purpose activities declined over the historical review period even though real estate tax revenue overall increased by 4.2 percent.

Earned income is the city's second most productive tax. The EIT tax had been steadily rising from 2016 to 2019 but dropped in 2020, most likely the result of the COVID-19 pandemic. The same is probably true of declines in local service taxes.

Reductions in business privilege/mercantile tax are most likely due both to the pandemic impact and to a change in city collection of that tax.

Table 2-4
Total Tax Revenue by Source

	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	%
Real Estate Taxes	\$3,017,742	\$3,160,507	\$3,065,317	\$3,081,542	\$3,144,831	127,088	4.2
Per Capita Taxes	\$9,992	\$9,262	\$9,659	\$9,682	\$11,442	1,450	14.5
Real Estate Transfer Tax	\$45,616	\$61,278	\$70,249	\$44,061	\$45,099	-518	-1.1
Earned Income Tax	\$743,277	\$751,464	\$760,382	\$784,276	\$719,218	-24,059	-3.2
Local Services Tax	\$219,246	\$213,091	\$221,489	\$220,073	\$199,408	-19,838	-9
BP/Mercantile Tax	\$543,807	\$571,001	\$443,232	\$533,628	\$396,211	-147,596	-27.1
Total Tax Revenue	\$4,579,681	\$4,766,603	\$4,570,328	\$4,673,262	\$4,516,208	-63,472	-1.4

Table 2-5
Millage, 2016 to 2020

	2016	2017	2018	2019	2020
Total Millage	17.52	18.02	18.02	18.02	18.52
General Purpose	9.86	10.46	10.29	10.05	9.81
Recreation	3.82	3.88	3.98	3.99	4.65
Library	0.14	0.14	0.14	0.15	0.15
Debt Service	3.7	3.54	3.61	3.83	3.91

Non-Tax Revenue

- Sanitation fees for in-house refuse collection are the largest non-tax revenue source. Residents and businesses pay a base \$21 per month with additional amounts for more collections or bags over the limit. Revenue is approximately \$1.3 million annually.
- State aid for pensions is the next largest non-tax revenue source, with annual payments based on the number and type of city employees. State aid grew by almost 17 percent during the historical review period.
- The highway and streets category includes parking meter collections and storm water payments. Parking meter rates are 25 cents for one hour. Parking meter revenue declined from a high of almost \$48,000 in 2016 to \$26,000 by 2020, likely due to the pandemic. The storm water payments mostly stemmed from the 2016 agreement under which the city leased its storm water system to the Bradford Sanitary Authority. The agreement included a one-time, \$500,000 payment and assumption by the authority of outstanding PENNVEST loans. These payments also declined from a high of \$500,000 in 2016 to almost \$185,000 in 2020.
- Ambulance revenue from ambulance service fees averages approximately \$500,000 annually.
- The largest source of revenue in the interest, rents and royalty category is sale of timber, which ranged from \$250,000 to \$350,000 during the historical review period. The city receives the timber funds under an agreement with the regional water authority. The city receives the first \$125,000, the authority receives the second \$125,000, and subsequent amounts are split 50-50.
- Fines and forfeits include parking, state police and city fines as well as property maintenance registration fees and tickets. Revenue fluctuated depending on annual activities.
- Recreation includes pool and ice rink user fees and rentals, pavilion rentals, and pool and ice rink concessions. Recreation revenue was cut approximately in half in 2020 because of the pandemic.
- Intergovernmental revenues (See Table 2-7 for detail) include money the city receives from several municipalities for ambulance services. Revenue averaged \$30,000 a year until 2020 when revenue increased to almost \$55,000 with the addition of another municipality.
 - Intergovernmental also includes city costs charged to the water and sewer authorities, and to the city Office of Economic and Community Development (OECD), for activities in support of those agencies. OECD is a city department, but its budget is separate from the rest of the city.
 - Other items in this category are reimbursements to the city from the school district for school resource officers. SRO revenue was not recorded in the general fund until

at least the end of 2019, which accounts for the large increase in this category for 2020. The SRO payment going forward from 2021 is \$117,000.

- County aid and impact fees from Marcellus Shale gas wells make up the rest of the category.
- Pension is revenue the city receives from the Bradford Sanitary Authority, OECD, and the school district to defray pension expenditures for associated employees.
- General government revenue is mostly from zoning activities.

Table 2-6*Total Non-Tax Revenues*

	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	%
Licenses & Permits	\$43,872	\$37,325	\$33,017	\$40,390	\$31,785	-12,087	-27.6
Fines & Forfeits	\$128,765	\$114,963	\$141,170	\$133,126	\$129,302	538	0.4
Interest, Rents, & Royalties	\$371,710	\$426,862	\$335,368	\$286,237	\$271,623	-100,087	-26.9
Intergovernmental	\$144,927	\$132,122	\$144,192	\$216,745	\$419,778	274,852	189.6
State Aid for Pension	\$564,329	\$601,061	\$627,708	\$686,147	\$659,794	95,464	16.9
Grant Revenues	\$17,608	\$32,438	\$167,413	\$69,240	\$24,615	7,007	39.8
PURTA	\$5,337	\$4,717	\$4,873	\$4,204	\$4,577	-760	-14.2
General Government	\$3,747	\$3,158	\$3,592	\$5,515	\$8,080	4,333	115.6
Public Safety	\$3,063	\$113	\$0	\$0	\$0	-3,063	-100
Ambulance Revenue	\$485,718	\$495,302	\$529,271	\$489,225	\$521,754	36,036	7.4
Highways & Streets	\$547,744	\$472,524	\$402,529	\$370,949	\$210,483	-337,260	-61.6
Sanitation	\$1,312,187	\$1,275,498	\$1,264,004	\$1,355,475	\$1,313,402	1,215	0.1
Health	\$44,081	\$33,322	\$42,855	\$37,552	\$26,024	-18,057	-41
Recreation	\$119,241	\$117,994	\$105,624	\$108,508	\$49,216	-70,025	-58.7
Charges for Services	\$125,135	\$113,043	\$114,037	\$99,904	\$112,862	-12,273	-9.8
Miscellaneous	\$14,385	\$29,963	\$8,327	\$48,011	\$69,451	55,066	382.8
Donations	\$70,000	\$70,000	\$0	\$0	\$0	-70,000	-100
Pension Contributions	\$0	\$0	\$0	\$131,123	\$177,730	177,730	100
Non-Tax Revenue	\$4,001,848	\$3,960,405	\$3,923,979	\$4,082,351	\$4,030,479	28,631	0.7

Table 2-7*Intergovernmental Revenue Detail, 2016 to 2020*

	2016	2017	2018	2019	2020
City Costs - Water	\$21,600	\$21,600	\$21,600	\$31,100	\$27,600
City Costs - Sanitary	\$22,000	\$22,000	\$22,000	\$24,500	\$22,000
City Costs-OECD	\$3,057	\$2,640	\$3,120	\$27,296	\$71,418
City Costs-BASD Reimbursements	\$0	\$0	\$0	\$38,465	\$188,732
City Costs- Parking Lots	\$0	\$0	\$0	\$15,000	\$0
State Shared Rev -Act 13 G	\$40,719	\$41,931	\$49,687	\$46,038	\$39,868
County Aid	\$30,452	\$16,311	\$16,311	\$0	\$15,241
Bradford Township	\$12,238	\$12,483	\$13,731	\$14,006	\$14,286
Corydon Township	\$874	\$891	\$981	\$1,079	\$1,186
Foster Township	\$11,364	\$11,592	\$12,751	\$14,026	\$15,428
Lafayette Township	\$874	\$891	\$1,782	\$2,673	\$3,341
Lewis Run Borough	\$1,748	\$1,783	\$2,229	\$2,563	\$2,819
Otto Township Emergency Ambulance	\$0	\$0	\$0	\$0	\$17,860

Personnel vs. Non-Personnel Expenditures

- Personnel expenditures account for most city costs at over 60 percent of total expenditures, while non-personnel expenses represent approximately 11 percent of total expenditures. Capital, debt service, transfers, and TRAN payments account for the remainder.
- Expenditures in 2020 were generally lower than in 2019, which was likely the result of measures taken by the city to cut costs during the COVID-19 pandemic in 2020 as well as lower salaries for new employees.
- Capital includes lease payments for the copier and garbage packer, as well as expenditures for a wide range of capital purchases like computers, vehicles, and similar equipment. The capital category varied depending on annual capital needs and purchases.
- Debt service included payments on two General Obligation Bonds obtained in 2012 and 2013, and on PennVEST loans. The city received revenue from the sewer authority to offset the PennVEST loans as part of the 2016 stormwater system lease. The 2012 and 2013 bonds were refinanced in 2020.
- Transfers are mostly transfers back into the capital reserve fund during the year as described below.

Table 2-8*Personnel, non-personnel, debt service, capital, transfer, and TRAN expenditures*

	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	%
Personnel	\$6,271,605	\$6,453,194	\$6,821,337	\$6,715,750	\$6,277,616	6,011	0.1
Non-Personnel	\$1,015,618	\$1,006,254	\$1,128,696	\$1,185,175	\$1,003,531	-12,088	-1.2
Capital	\$185,011	\$195,895	\$328,775	\$170,135	\$141,726	-43,285	-23.4
Debt Service	\$691,594	\$684,385	\$698,099	\$698,652	\$292,778	-398,816	-57.7
Transfers	\$481,171	\$468,242	\$509,687	\$446,038	\$500,000	18,829	3.9
TRAN	\$750,000	\$750,000	\$850,000	\$850,000	\$850,000	100,000	13.3
Total	\$9,395,000	\$9,557,970	\$10,336,594	\$10,065,750	\$9,065,651	-329,349	-3.5

Personnel

Salary and wages, the largest personnel expenditure, grew from \$3.6 million in 2016 to \$4 million in 2020, an increase of \$412,801 or 11.4 percent.

The pension payment declined significantly in 2020 as the city anticipated completing the Pension Obligation Bond Pool arrangement, which was completed in December 2021.

Table 2-9*Personnel Expenditure Detail*

Type	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	%
Salary & Wages	\$3,607,344	\$3,676,819	\$3,773,311	\$4,041,327	\$4,020,146	412,801	11.4
Overtime	\$203,506	\$212,199	\$224,548	\$238,864	\$232,602	29,096	14.3
FICA	\$154,955	\$155,485	\$159,276	\$165,848	\$154,497	-457	-0.3
Employee Benefits	\$798,876	\$742,272	\$762,100	\$734,965	\$703,963	-94,913	-11.9
Pension	\$999,509	\$1,244,560	\$1,470,823	\$1,246,933	\$843,235	-156,273	-15.6
Workers' Comp	\$422,798	\$347,047	\$357,689	\$210,737	\$272,869	-149,929	-35.5
Other Employee Exp	\$84,617	\$74,812	\$73,590	\$77,078	\$50,303	-34,314	-40.6
Total Employee Exp	\$6,271,605	\$6,453,194	\$6,821,337	\$6,715,750	\$6,277,616	6,011	0.1

Transfers

Historically, the city has transferred money from the capital reserve to the General Fund to ensure year end expenditures are paid timely. The city has replenished this amount and added to the balance in the capital reserve in four of the five years in the historic period adding \$229,375 to the reserve for future purchases

Table 2-10
Capital Reserve Transfers

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Transfer To Capital Reserve	\$440,719	\$441,931	\$499,687	\$446,038	\$500,000
Transfer From Cap Reserve	\$401,000	\$400,000	\$448,000	\$500,000	\$350,000
Net Transfer to Cap Reserve	\$39,719	\$41,931	\$51,687	-\$53,962	\$150,000
Cumulative Transfer	\$39,719	\$81,650	\$133,337	\$79,375	\$229,375

Departmental Costs

General Government

Costs were down from 2019 to 2020, as noted above related to the pandemic and some lower salaries, in all categories except for insurance.

Employee expenditures steadily increased prior to the pandemic impact, growing from \$836,372 in 2016 to \$1.1 million in 2019, and then falling to \$989,924 in 2020. This category includes salaries and benefits for administration personnel including the finance director, city administrator, city treasurer, city solicitor, clerks, and other support staff.

Services are for various professional services, contracts, and copiers such as auditor, legal, IT, storm water and engineering.

Insurance is for non-health related insurances. Unlike other costs, insurance increased from 2019 to 2020. Insurance expenditures grew by 22 percent during the historical review period.

Table 2-11
General Government Expenditures

	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	%
General Government							
Employee Exp	\$836,372	\$924,892	\$1,016,238	\$1,118,936	\$989,924	153,552	18.4
Services	\$67,704	\$68,828	\$145,600	\$140,890	\$135,245	67,541	99.8
Supplies	\$33,981	\$35,933	\$32,780	\$28,542	\$24,680	-9,302	-27.4
Insurance	\$127,788	\$108,178	\$120,783	\$146,546	\$156,127	28,339	22.2
Utilities	\$24,239	\$32,401	\$20,391	\$19,858	\$15,375	-8,864	-36.6
Maintenance	\$11,052	\$5,992	\$7,021	\$7,458	\$5,579	-5,473	-49.5
Miscellaneous	\$36,424	\$36,948	\$35,868	\$80,933	\$33,983	-2,441	-6.7
Capital	\$3,938	\$3,372	\$11,438	\$5,476	\$3,000	-939	-23.8
Total	\$1,141,498	\$1,216,543	\$1,390,120	\$1,548,639	\$1,363,912	222,414	19.5

Public Safety

Public safety expenditures are detailed in Table 2-10. Departmental costs are inclusive of personnel benefits such as health care.

Salaries for police officers steadily increased during the historical period; however, health insurance costs were flat with a decrease from 2019 to 2020. The amount of capital purchases for police averaged \$44,000 at the start of the historical period but then declined to only \$21,835 in 2020. Costs for police averaged \$1.78 million annually.

The fire chief oversees fire, ambulance rescue, building and health, and planning and zoning. These categories include restaurant and building inspections, and the city's health director. Fire received a \$153,241 FEMA grant in 2018 that accounts for the increase in that year. Fire costs average \$1.67 million annually.

Ambulance costs grew from 2016 to 2020 by 30.7 percent while building and health rose by almost 6 percent.

Other public safety is the city's Property Maintenance Department, which declined in 2020 most likely due to the pandemic impact and staff turnover. This department handles code enforcement.

Table 2-12

Public Safety Expenditures Detail, 2016 to 2020

	2016	2017	2018	2019	2020	Change	
	Actual	Actual	Actual	Actual	Actual	\$	%
Police	\$1,735,735	\$1,781,133	\$1,890,790	\$1,819,070	\$1,717,927	-17,808	-1
Fire	\$1,599,293	\$1,715,018	\$1,903,055	\$1,639,788	\$1,515,883	-83,409	-5.2
Ambulance	\$372,451	\$377,993	\$473,693	\$471,743	\$486,740	114,289	30.7
Building/Health	\$97,382	\$103,003	\$109,348	\$103,142	\$103,049	5,667	5.8
Planning/Zoning	\$8,003	\$7,452	\$8,262	\$7,740	\$7,346	-657	-8.2
Other Public Safety	\$159,864	\$154,464	\$165,710	\$153,915	\$139,852	-20,011	-12.5
Total Public Safety	\$3,972,728	\$4,139,062	\$4,550,858	\$4,195,398	\$3,970,799	-1,929	0

Public Works

Wages in refuse collection fell while salaries in highway maintenance increased during the historical review period, accounting for at least some of the change between 2016 and 2020. Refuse collection includes landfill tipping fees, which varied from a low of \$178,703 to a high of \$184,365, and the annual lease for the garbage packer.

Employees previously recorded under storm sewers were moved to highway maintenance during the historical review period, which account for the increase in highway maintenance and decrease in storm sewers.

Table 2-13

Public Works Expenditures Detail, 2016 to 2020

	2016	2017	2018	2019	2020	Change 2022 - 2026	
	Actual	Actual	Actual	Actual	Actual	\$	%
Refuse Collection	\$911,525	\$911,534	\$990,324	\$862,926	\$815,622	-95,903	-10.5
Highway Maintenance	\$392,923	\$569,454	\$742,267	\$742,892	\$697,573	304,651	77.5
Storm Sewers	\$403,680	\$211,837	\$36,343	\$20,000	\$20,000	-383,680	-95
Electric System	\$159,318	\$153,994	\$175,942	\$179,691	\$154,475	-4,843	-3
Parking Facilities	\$14,059	\$13,728	\$14,649	\$15,342	\$12,546	-1,512	-10.8
Total Public Works	\$1,881,505	\$1,860,546	\$1,959,525	\$1,820,851	\$1,700,216	-181,289	-9.6

Parks and Recreation

Employee expenditures for parks and recreation typically include payment for three police officers who provide security at city recreation facilities in addition to regular patrol duties. Cost for security ranged from a low of \$135,825 in 2018 to a high of \$219,596 in 2020. The city has an indoor ice-skating facility in addition to other park and recreation amenities.

Table 2-14*Parks and Recreation Expenditures Detail, 2016 to 2020*

	2016	2017	2018	2019	2020	Change 2022 - 2026	
	Actual	Actual	Actual	Actual	Actual	\$	%
Parks & Recreation							
Employee Exp	\$496,171	\$441,260	\$419,143	\$520,664	\$431,328	-64,842	-13.1
Services	\$1,960	\$2,732	\$2,822	\$2,137	\$1,692	-268	-13.7
Supplies	\$13,168	\$11,426	\$12,970	\$12,630	\$1,232	-11,936	-90.6
Utilities	\$60,512	\$64,940	\$61,551	\$62,919	\$45,054	-15,458	-25.5
Maintenance	\$28,978	\$26,310	\$24,570	\$32,549	\$23,337	-5,641	-19.5
Gas/Oil/Fuel	\$2,504	\$3,560	\$2,730	\$2,996	\$1,186	-1,318	-52.6
Capital	\$0	\$0	\$0	\$3,600	\$5,490	5,490	100
Total	\$603,293	\$550,229	\$523,787	\$637,494	\$509,320	-93,973	

Table 2-15*Parks and Recreation Security Expenditure Detail, 2016 to 2020*

	2016	2017	2018	2019	2020
Salaries-Park Security	\$140,861	\$135,330	\$111,117	\$178,751	\$182,915
Health Benefit	\$17,247	\$14,071	\$13,690	\$24,384	\$27,559
Vision Benefit	\$180	\$196	\$146	\$237	\$261
Life Insurance	\$323	\$350	\$323	\$323	\$225
Dental	-\$337	-\$440	-\$480	-\$720	-\$744
FICA/Medicare Expense	\$2,035	\$1,953	\$1,602	\$2,530	\$2,573
Workers Compensation	\$18,886	\$14,870	\$9,427	\$12,009	\$6,808
Total	\$179,195	\$166,330	\$135,825	\$217,515	\$219,596

2021 Estimated vs. 2021 Budget

Revenues in 2021 were 16 percent higher than anticipated in the budget, while expenditures were slightly less. The result was a likely surplus in 2021. Revenues include almost \$430,000 from the city's American Rescue Plan Act 2021 appropriation that is recorded in miscellaneous revenue. The city spent \$141,554 from the ARPA appropriation for various capital items as outlined in Table 2-17. Tables 2-18 and 2-19 compare budgeted revenues and expenditures to estimated 2021 amounts.

Table 2-16

2021 Estimated vs. 2021 Budget

	2021	2021	2021 Est vs. Budget	
	Estimated	Budget	\$	%
Total Revenues	\$10,564,664	\$9,109,296	\$1,455,368	16.0
Total Expenditures	\$10,009,036	\$10,020,218	-\$11,182	-0.1

Table 2-17

2021 ARPA Funding

Use	ARPA Allocation
Total 2021	\$429,667
Police Equipment	\$8,334
Police Vehicle Maintenance	\$10,000
FD Protective Clothing	\$7,148
Fire Capital Outlay	\$11,309
Ambulance Supplies	\$12,000
FD Vehicle Maintenance	\$10,000
Ambulance Capital Outlay	51,092.20
DPMI Capital Outlay	31,671.14
Total 2021 Expenditures	\$141,554.16
Net Remaining from 2021	\$288,112.96

Table 2-18*2021 Estimated Revenues vs. 2021 Budgeted Revenues Detail*

	2021	2021	2021 Est. Vs. Budget	
	Estimated	Budget	\$	%
Real Estate Taxes	\$3,258,857	\$3,100,585	158,272	5.1
Per Capita Taxes	\$12,739	\$10,000	2,739	27.4
Real Estate Transfer Tax	\$71,653	\$55,000	16,653	30.3
Earned Income Tax	\$778,617	\$750,000	28,617	3.8
Local Services Tax	\$209,119	\$220,700	(11,581)	-5.2
BP/Mercantile Tax	\$409,799	\$490,800	(81,001)	-16.5
Licenses & Permits	\$32,975	\$56,800	(23,825)	-41.9
Fines & Forfeits	\$129,866	\$147,000	(17,134)	-11.7
Interest, Rents, & Royalties	\$552,394	\$137,800	414,594	300.9
Intergovernmental Revenues	\$386,149	\$347,339	38,810	11.2
State Aid for Pension	\$604,458	\$105,000	499,458	475.7
Grant Revenues	-\$3,994	\$37,000	(40,994)	-110.8
PURTA	\$4,506	\$4,800	(294)	-6.1
General Government	\$12,767	\$4,000	8,767	219.2
Ambulance Revenue	\$621,343	\$525,000	96,343	18.4
Highways & Streets	\$131,729	\$110,000	21,729	19.8
Sanitation	\$1,333,242	\$1,327,612	5,630	0.4
Health	\$35,300	\$41,500	(6,200)	-14.9
Recreation	\$62,996	\$59,350	3,646	6.1
Charges for Services	\$133,592	\$113,674	19,919	17.5
Miscellaneous	\$848,385	\$29,000	819,385	2825.5
Pension Contributions	\$69,074	\$136,336	(67,262)	-49.3
Transfers	\$19,099	\$450,000	(430,901)	-95.8
TRAN	\$850,000	\$850,000	—	0
Total Revenues	\$10,564,664	\$9,109,296	1,455,368	16

Table 2-19
2021 Estimated Expenditures vs. 2021 Budgeted Expenditures Detail

	2021	2021	2021 Est vs. Budget	
	Estimated	Budget	\$	%
Legislative	\$5,383	\$5,383	0	0
Executive	\$133,040	\$120,036	13,004	10.8
Financial Administration	\$18,383	\$17,883	500	2.8
Tax Collection	\$208,183	\$163,716	44,466	27.2
Law	\$86,802	\$85,000	1,802	2.1
Records	\$4,655	\$3,500	1,155	33
Personnel & Administrative	\$292,108	\$284,775	7,333	2.6
Data Processing	\$74,911	\$47,893	27,018	56.4
Engineer	\$0	\$500	-500	-100
Government Buildings	\$43,171	\$43,360	-189	-0.4
Police	\$1,492,658	\$1,580,015	-87,357	-5.5
Fire	\$1,415,312	\$1,286,447	128,866	10
Ambulance Rescue	\$580,943	\$529,756	51,187	9.7
Building & Health	\$120,221	\$123,612	-3,392	-2.7
Planning & Zoning	\$8,189	\$8,342	-153	-1.8
Other Public Safety	\$186,410	\$157,631	28,780	18.3
Refuse Collection	\$786,636	\$763,371	23,265	3
Highway Maintenance General	\$774,717	\$809,349	-34,632	-4.3
Storm Sewers And Drains	\$20,000	\$20,000	0	0
Electric System	\$177,139	\$179,316	-2,178	-1.2
Parking Facilities	\$15,869	\$18,654	-2,785	-14.9
Pitt Recreation	\$9,585	\$4,800	4,785	99.7
Parks & Parkways Securities	\$238,341	\$239,033	-693	-0.3
Parks	\$299,592	\$388,084	-88,492	-22.8
Debt Principal	\$538,354	\$385,360	152,994	39.7
Debt Interest	\$208,098	\$174,996	33,102	18.9
Misc. Expenditures & Expenses	\$33,074	\$42,347	-9,273	-21.9
General Supplies	\$7,716	\$8,600	-884	-10.3
Pension & Personnel	\$665,225	\$493,337	171,888	34.8
Insurance & Other Services	\$257,521	\$218,854	38,667	17.7
Interfund Operating Transfers	\$456,793	\$966,271	-509,478	-52.7
TRAN	\$850,010	\$850,000	10	0
Total Expenditures	\$10,009,036	\$10,020,218	-11,182	-0.1

McKean County Tax Rate Comparison

Bradford has the highest municipal property tax rate in McKean County, and the Bradford Area School District has the highest school district property tax rate among county school districts. The average municipal property tax rate in McKean County is 7.1 mills for boroughs and 3.2 mills for townships, compared to 18.52 mills for the city.

As a densely populated urban core city that serves as a regional hub for economic activity, the city offers much more robust public safety services than other municipalities in the county. The high level of services accounts for much of the millage difference, although assessment value (how much each mill generates in tax revenue) is also a factor.

Bradford is the only municipality in McKean County with a fully paid fire department and one of only eight with paid local police. Municipalities that rely only on state police receive those services at no cost to the municipality. Bradford should emphasize the high level of services that it offers to residents to turn the higher millage rates into a positive.

Table 2-16⁴*McKean County municipal, school district and total tax rates*

Municipality	School District	Municipal Tax Amount	School District Tax Amount	Total Tax Rate	Value of one mill
Bradford City	Bradford Area S D	18.52	22.12	40.64	\$171,808
Eldred Boro	Otto-Eldred S D	9.5	18.54	28.04	15,665
Bradford Twp	Bradford Area S D	5.0	22.12	27.12	148,786
Foster Twp	Bradford Area S D	5.0	22.12	27.12	131,220
Lewis Run Boro	Bradford Area S D	4.5	22.12	26.62	20,957
Corydon Twp	Bradford Area S D	3.525	22.12	25.645	13,154
Lafayette Twp	Bradford Area S D	3.5	22.12	25.62	38,780
Port Allegany Boro	Port Allegany S D	8.83	16.11	24.94	55,510
Otto Twp	Otto-Eldred S D	5.5	18.54	24.04	33,687
Eldred Twp	Otto-Eldred S D	3.75	18.54	22.29	39,627
Keating Twp	Smethport S D	2.5	19.69	22.19	77,018
Ceres Twp	Otto-Eldred S D	3.5	18.54	22.04	5,862
Smethport Boro	Smethport S D	1.09	19.69	20.78	41,283
Norwich Twp	Smethport S D	1.0	19.69	20.69	22,312
Sergeant Twp	Smethport S D	0.375	19.69	20.065	22,312
Liberty Twp	Port Allegany S D	3.56	16.11	19.67	50,613
Annin Twp	Port Allegany S D	2.5	16.11	18.61	19,751
Hamilton Twp	Kane Area S D	4.0	—	—	23,604
Kane Boro	Kane Area S D	10.5	—	—	77,250
Mt Jewett Boro	Kane Area S D	8.25	—	—	19,376
Wetmore Twp	Kane Area S D	0.65	—	—	71,023

⁴ Source: DCED Municipal Statistics and STEB

Table 2-17⁵*McKean County Municipal Police Services*

MUNICIPALITY NAME	SERVICE TYPE	FT	PT
Bradford City	Own Municipal Police Force	19	1
Bradford Twp	Own Municipal Police Force	5	7
Foster Twp	Own Municipal Police Force	5	4
Kane Borough	Own Municipal Police Force	4	2
Port Allegany Borough	Own Municipal Police Force	3	2
Smethport Borough	Own Municipal Police Force	2	4
Eldred Borough	Regional Police Service	0	0
Otto Twp	Regional Police Service	0	0
Annin Twp	State Police coverage only	0	0
Ceres Twp	State Police coverage only	0	0
Corydon Twp	State Police coverage only	0	0
Eldred Twp	State Police coverage only	0	0
Hamilton Twp	State Police coverage only	0	0
Hamlin Twp	State Police coverage only	0	0
Keating Twp	State Police coverage only	0	0
Lafayette Twp	State Police coverage only	0	0
Lewis Run Borough	State Police coverage only	0	0
Liberty Twp	State Police coverage only	0	0
Mt Jewett Borough	State Police coverage only	0	0
Norwich Twp	State Police coverage only	0	0
Sergeant Twp	State Police coverage only	0	0
Wetmore Twp	State Police coverage only	0	0

Third Class City Public Safety Comparison

The city of Bradford has the second highest number of police officers in the public safety comparison of 11 similar third-class cities, although its population is third from the bottom. However, the cost of its police as reported to the state is lower than five other municipalities.

Fire services vary widely in third-class cities. Bradford is among the five cities in the comparison that have a full-time, paid fire department. Three cities paid more for their full-time fire departments than Bradford. But the real divide is between cities with fully paid fire departments and those with a combination of paid and volunteer, or fully volunteer. Except for Beaver Falls, costs for combination or all volunteer departments are significantly less but that comes with a lower service level.

Note: Financial information is as reported by the city to DCED and will not match financial information as outlined previously in this chapter because of different reporting methods. This analysis is presented to broadly show spending patterns by the city as compared to similar municipalities.

⁵ Source: DCED municipal statistics

Table 2-18⁶*Third-Class City Public Safety Comparison*

	County	Pop.	Police FT	Police PT	Police Budget	Fire Type	Fire Budget
Aliquippa	Beaver	9,066	15		\$2,513,851	Paid	\$1,222,357
Beaver Falls	Beaver	8,547	17		\$1,620,767	Combo	\$1,330,750
Bradford	McKean	8,424	19	1	\$1,396,279	Paid	\$1,271,233
Carbondale	Lackawanna	8,565	12	10	\$1,120,015	Combo	\$623,532
Corry	Erie	6,396	9		\$886,562	Combo	\$589,318
DuBois	Clearfield	7,530	13	1	\$1,611,716	Volunteer	\$318,132
Lock Haven	Clinton	9,345	14		\$971,911	Combo	\$332,044
Meadville	Crawford	12,949	22		\$3,048,048	Paid	\$1,450,583
Oil City	Venango	9,982	12		\$1,114,108	Paid	\$1,092,579
Sunbury	Northumberland	9,581	8	1	\$1,185,244	Volunteer	\$148,647
Warren	Warren	9,250	16		\$1,925,826	Paid	\$1,706,684

⁶ Source: PA DCED AFR 2018

CHAPTER 3 FINANCIAL PROJECTIONS

Introduction

The city of Bradford is projected to experience annual, growing General Fund deficits starting in 2022 despite completion of the Pension Obligation Bond Pool in 2021. Revenues are still likely unable to keep up with growing expenditures, particularly in personnel.

The city entered the Pension Obligation Bond Pool with six other municipalities that will greatly reduce the city's General Fund pension obligation going forward. The pool is permitted under state Act 205. It will allow 80 percent of future state pension aid payments to be re-directed for annual pension pool debt service. This secure source of funding in the form of guaranteed state pension aid revenue results in a lower interest rate for the bond pool than the city could obtain on its own. Impacts from the pension bond are included in these General Fund projections.

In 2022, the projections include a \$600,000 transfer from capital reserves for operating costs. But 2022 also includes an outstanding pension payment from 2019 of \$251,113 that the city had hoped would be covered by the pension bond but was not. As a result, projections indicate the city will experience a deficit of over \$300,000 in 2022 that can be filled by fund balance into the General Fund. This indicates the city will not run out of money in 2022 but reduces these buffer funds going forward.

The city also has roughly \$717,000 in American Rescue Plan Act funds that it can spend. The funds are relatively flexible, including generous lost revenue options, but uses must conform to the U.S. Treasury Final Rule.

Public safety (police, fire, ambulance, codes) remains the highest cost center by department, while personnel is the largest expenditure by type. Although real estate taxes remain the city's largest tax source in terms of absolute dollars, the earned income tax is likely to experience the most proportional growth. The cost of general operations leaves little left for the city to spend on capital needs. Projected capital spending is only 0.6 percent of total expenditures in 2026 with an anticipated deficit that year of over \$1 million.

Revenue Assumptions

- The 2022 budget serves as the baseline.
- Tax rates and fees remain at 2022 levels.
- Real estate tax revenue is increased by 0.53 percent annually based on assessment history.
- Earned income tax revenue increased annually at 1.38 percent.
- BP/Mercantile increased annually at 0.5 percent
- License & Permits decreased by 1.98 percent
- Fines & Forfeits increase 0.85 percent
- State aid for pension included at 20 percent of allocation from state (80% committed to pension bond funding)

- 2021 ARPA funds recorded in revenues in 2021 – transferred to separate fund. 2022 monies to be recorded in separate fund and will be used according to the federal guidelines.
- Other revenues held at 2022 levels.

Expenditure Assumptions

- The 2022 budget serves as the baseline
- Employee counts remain at 2022 budgeted levels.
- Employee wages and salaries increased per contracts annually.
- Health insurance expense increased by 5 percent annually.
- Pension Minimum Municipal Obligation (MMO) does not include the amortization component. The Pension Obligation Bond Pool will eliminate directly funding this piece, which is approximately \$1.3 million annually.
- Transfer to capital reserve eliminated.
- Other expenditure growth based on the Core Personal Consumer Index (CBO August 2019); 1.8 percent to 2.1 percent annually.
- No new debt incurred; existing debt service based on amortization schedules.

Financial Summary

The reduction in pension costs from the pension bond pool by itself is not enough to eliminate annual deficits going forward. Both revenue and expenditures in 2022 include one-time events. Revenues include \$600,000 from the capital reserve fund. Expenditures include approximately \$251,000 for an outstanding 2019 pension payment. From 2023 to 2026 projections, which do not include one-time events, revenues are expected to grow by only 1.2 percent while expenditures are anticipated to increase by almost 7 percent.

Table 3-1

General Fund Revenues, Expenditures and Surplus/(Deficit)

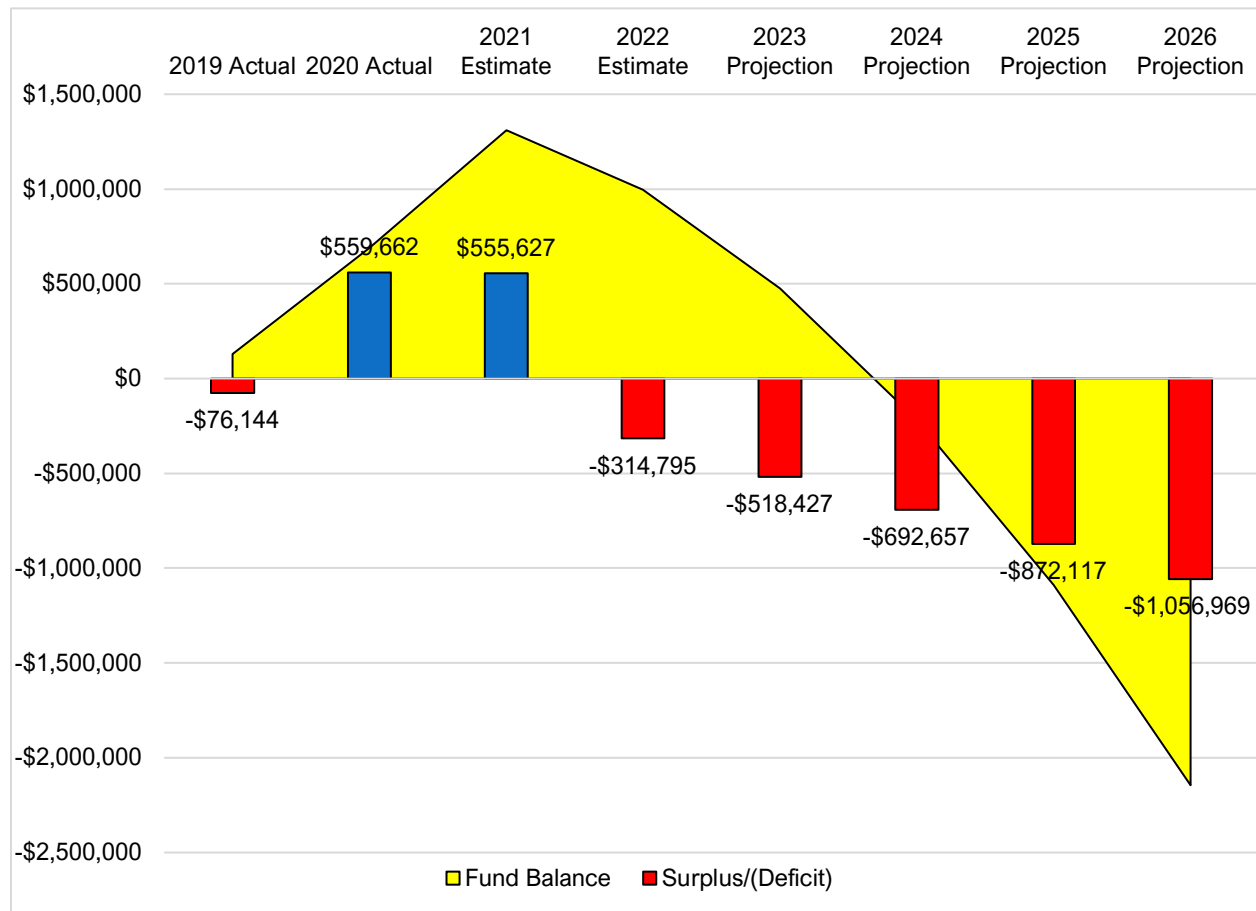
	2022	2023	2024	2025	2026
	Estimate	Projected	Projected	Projected	Projected
Revenues	\$9,602,568	\$9,037,486	\$9,072,796	\$9,108,505	\$9,144,618
Expenditures	\$9,917,363	\$9,555,914	\$9,765,454	\$9,980,622	\$10,201,587
Surplus/(Deficit)	-\$314,795	-\$518,427	-\$692,657	-\$872,117	-\$1,056,969

Fund Balance

Figure 3-1 shows the potential impact of projected deficits on the city’s current fund balance in the general fund. It is anticipated that the fund balance would be depleted by 2024 if it was used to overcome likely annual deficits. Municipalities are advised to maintain a minimum fund balance of two to three months of expenditures as a best practice.

Figure 3-1

Actual and Projected Fund Balance and Surplus/(Deficit), 2019 to 2026



Total Revenues

Tax revenue accounts for over 50 percent of the city’s total revenues, while non-tax revenue accounts for approximately 40 percent of total revenues. One transfer of \$600,000 is included in 2022. Annual transfers from capital reserve are then eliminated from the projections going forward due to the projected drawdown of fund balance to balance annual budgets. The ending of this transfer is the main reason that general fund revenue is anticipated to drop in 2023. Tax revenue is anticipated to grow by 2.6 percent from 2022 to 2026, while nontax revenue is likely to remain flat.

Table 3-3*Total Revenues, 2022 to 2026*

	2022	2023	2024	2025	20252	Change 2022 - 2025	
	Projected	Projected	Projected	Projected	Projected	\$	%
Tax Revenue	\$4,718,869	\$4,748,964	\$4,779,309	\$4,809,908	\$4,840,762	121,893	2.6
Nontax Revenue	\$3,433,699	\$3,438,522	\$3,443,487	\$3,448,597	\$3,453,856	20,156	0.6
Transfers	\$600,000	\$0	\$0	\$0	\$0	-600,000	-100
Revenue w/out TRAN	\$8,752,568	\$8,187,486	\$8,222,796	\$8,258,505	\$8,294,618	-457,950	-5.2

Tax Revenue

Total Tax Revenue

Real estate taxes are projected to rise by the largest absolute amount at \$67,996, while earned income taxes are likely to see the most proportional growth at 5.6 percent. A slight increase is also expected in business privilege/mercantile taxes based on historical patterns.

Table 3-4*Total Tax Revenues, 2022 to 2026*

	2022	2023	2024	2025	20252	Change 2022 - 2026	
	Projected	Projected	Projected	Projected	Projected	\$	%
Real Estate Taxes	\$3,190,869	\$3,207,734	\$3,224,687	\$3,241,731	\$3,258,865	67,996	2.1
Per Capita Taxes	\$10,000	\$9,922	\$9,846	\$9,769	\$9,693	-307	-3.1
Real Estate Transfer	\$58,000	\$58,000	\$58,000	\$58,000	\$58,000	0	0
Earned Income Tax	\$785,000	\$795,825	\$806,800	\$817,925	\$829,204	44,204	5.6
Local Services Tax	\$220,000	\$220,207	\$220,415	\$220,623	\$220,831	831	0.4
BP/Mercantile Tax	\$455,000	\$457,275	\$459,561	\$461,859	\$464,168	9,168	2
Total Tax Revenue	\$4,718,869	\$4,748,964	\$4,779,309	\$4,809,908	\$4,840,762	121,893	2.6

Total Non-Tax Revenue

Non-tax revenue as shown in Table 3-5 is likely to increase less than one percent from pension state aid, fines and forfeits, and ambulance revenue, based on historical patterns and assumptions. Licenses and permits are expected to decline by almost 8 percent, but that category is not a significant source of city revenues.

Table 3-5

Non-Tax Revenues, 2022 to 2026

	2022	2023	2024	2025	2026	Change 2022 - 2026	
	Projected	Projected	Projected	Projected	Projected	\$	%
Licenses & Permits	\$37,500	\$36,756	\$36,027	\$35,312	\$34,611	-2,889	-7.7
Fines & Forfeits	\$146,000	\$147,236	\$148,483	\$149,740	\$151,008	5,008	3.4
Interest, Rents, & Royalties	\$122,000	\$122,000	\$122,000	\$122,000	\$122,000	0	0
Intergovernmental Revenues	\$421,206	\$421,206	\$421,206	\$421,206	\$421,206	0	0
State Aid for Pension	\$100,000	\$103,383	\$106,881	\$110,497	\$114,236	14,236	14.2
Grant Revenues	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	0	0
PURTA	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	0	0
General Government	\$7,300	\$7,300	\$7,300	\$7,300	\$7,300	0	0
Ambulance Revenue	\$525,000	\$525,948	\$526,897	\$527,849	\$528,801	3,801	0.7
Highways & Streets	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	0	0
Sanitation	\$1,343,500	\$1,343,500	\$1,343,500	\$1,343,500	\$1,343,500	0	0
Health	\$39,500	\$39,500	\$39,500	\$39,500	\$39,500	0	0
Recreation	\$103,000	\$103,000	\$103,000	\$103,000	\$103,000	0	0
Charges for Services	\$107,174	\$107,174	\$107,174	\$107,174	\$107,174	0	0
Miscellaneous	\$177,000	\$177,000	\$177,000	\$177,000	\$177,000	0	0
Pension Contributions	\$138,720	\$138,720	\$138,720	\$138,720	\$138,720	0	0
Nontax Revenue	\$3,433,699	\$3,438,522	\$3,443,487	\$3,448,597	\$3,453,856	20,156	0.6

Expenditures

Expenditures by Department

Public safety projected expenditures for 2022 include an outstanding pension payment from 2019 of \$251,113. As a result, pension payments for police and fire likely drop from \$322,999 and \$401,926 in 2022, respectively, to \$181,575 and \$304,082 in 2023. Public safety remains the city's highest cost center by department at approximately 45 percent of total expenditures.

An interfund transfer of \$288,113 in 2022 moves the remainder of the city's 2021 American Rescue Plan Act appropriation to a separate fund to track ARPA spending. The city will receive another appropriation of approximately \$429,000 in 2022, bringing the total ARPA funds available to approximately \$717,000. The city should make use of the U.S. Treasury Department Final Rule in deciding how to spend these funds including for lost revenue.

In general, costs are anticipated to rise in all departments at a much faster pace than likely revenue growth. See Tables 3-6 and 3-7 and Figure 3-1.

Table 3-6

Expenditures by Department, 2022 to 2026

	2022	2023	2024	2025	2026	Change 2022 - 2026	
	Budget	Projected	Projected	Projected	Projected	\$	%
General Government	\$1,232,422	\$1,256,502	\$1,282,110	\$1,308,318	\$1,335,138	102,717	8.3
Public Safety	\$4,410,864	\$4,260,589	\$4,366,987	\$4,476,259	\$4,588,491	177,626	4
Public Works	\$1,885,796	\$1,910,340	\$1,957,436	\$2,005,888	\$2,055,740	169,943	9
Parks & Recreation	\$686,706	\$704,315	\$722,695	\$741,621	\$761,112	74,407	10.8
Debt Service	\$563,462	\$574,168	\$586,226	\$598,536	\$611,106	47,643	8.5
Interfund Transfers	\$288,113	\$0	\$0	\$0	\$0	-288,113	-100
TRAN	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	0	0
Total	\$9,917,363	\$9,555,914	\$9,765,454	\$9,980,622	\$10,201,587	284,223	2.9

Expenditures by Type

Personnel expenditures account for the bulk of total projected expenditures at over 70 percent of total expenditures and are anticipated to rise by \$439,035 or 6.5 percent. Salary and wages are the largest personnel cost, likely to increase by almost 10 percent.

Table 3-7*Projected Personnel, Non-Personnel, Capital, Debt Service, and Transfer Expenditures, 2022-2026*

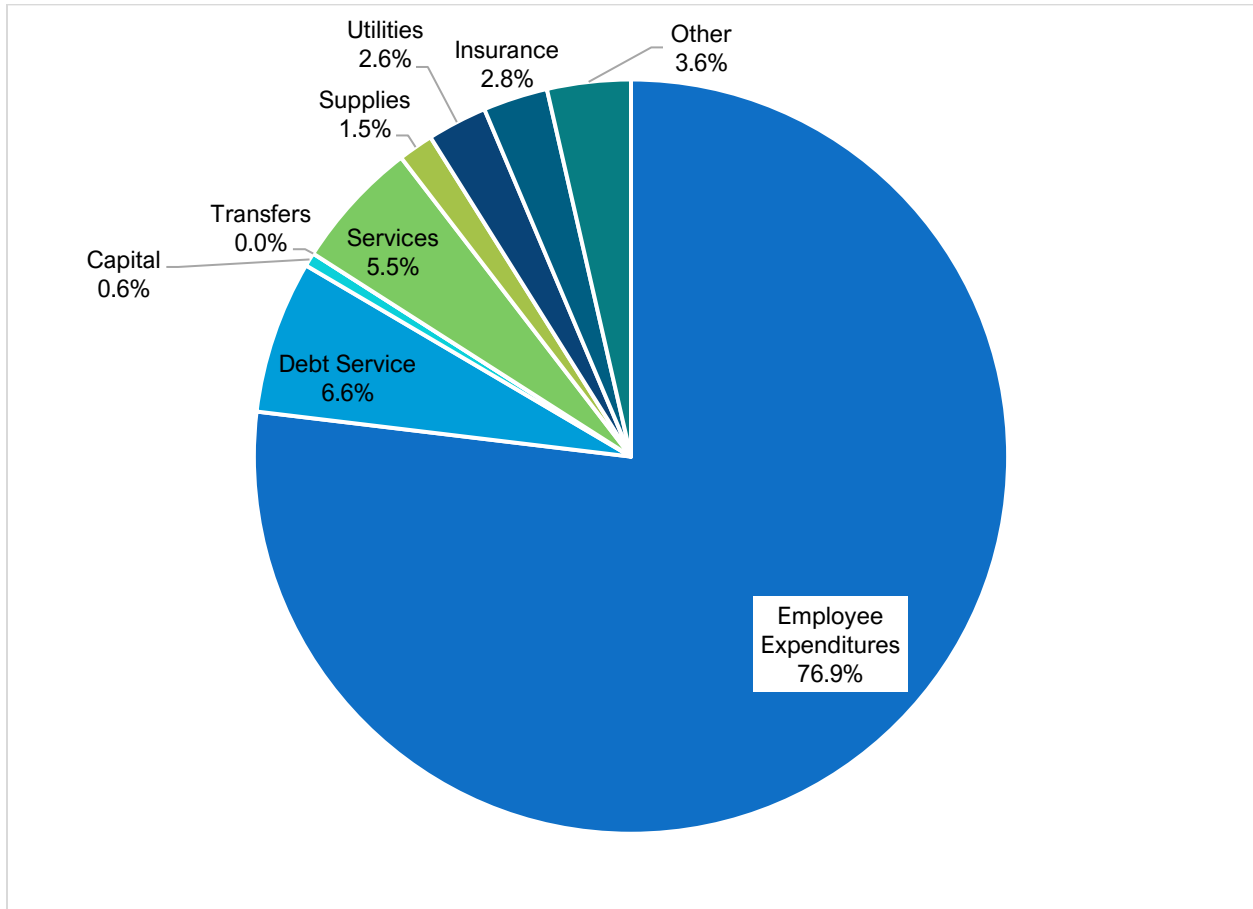
	2022	2023	2024	2025	2026	Change 2022 - 2026	
	Budget	Projected	Projected	Projected	Projected	\$	%
Personnel	\$6,763,256	\$6,676,402	\$6,846,841	\$7,022,087	\$7,202,291	439,035	6.5
Non-Personnel	\$1,380,032	\$1,403,341	\$1,429,593	\$1,456,396	\$1,483,761	103,729	7.5
Capital	\$72,500	\$52,003	\$52,795	\$53,603	\$54,429	-18,071	-24.9
Debt Service	\$563,462	\$574,168	\$586,226	\$598,536	\$611,106	47,643	8.5
Transfers	\$288,113	-	-	-	-	-288,113	-100
TRAN	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	0	0
Total	\$9,917,363	\$9,555,914	\$9,765,454	\$9,980,622	\$10,201,587	284,223	2.9

Table 3-8*Personnel Expenditure Detail*

	2022	2023	2024	2025	2026	Change 2022 - 2026	
	Budget	Projected	Projected	Projected	Projected	\$	%
Salary & Wages	\$4,372,192	\$4,476,983	\$4,584,354	\$4,694,370	\$4,807,096	434,904	9.9
Overtime	\$240,850	\$245,353	\$250,425	\$255,603	\$260,889	20,039	8.3
FICA	\$176,159	\$180,234	\$184,408	\$188,686	\$193,069	16,910	9.6
Employee Benefits	\$784,383	\$814,214	\$845,897	\$879,004	\$913,604	129,221	16.5
Pension	\$875,824	\$640,328	\$656,336	\$672,744	\$689,563	-186,261	-21.3
Workers' Comp	\$233,823	\$238,097	\$242,912	\$247,827	\$252,845	19,022	8.1

Figure 3-2

Projected 2026 Expenditures



CHAPTER 4 OPERATIONS

Process Overview

Interviews were conducted with the city manager, police chief, fire chief, public works director, property maintenance director, and additional city staff. Departments analyzed include administration and finance, police, public works, fire, and property maintenance. The city provides administration and finance functions, tax collection, utility billing, human resources, law enforcement, fire protection, emergency medical services, codes and zoning, public works, and parks and recreation.

Administration and Finance

Administration and finance functions are staffed by a city administrator, benefits coordinator/human resources director, an elected city treasurer who serves as the tax collector, and support staff. The city administrator, per city code, is the Chief Administrative Officer of the city, responsible for the activities of all city departments including administration and finance, public works, fire, and property maintenance. The city administrator is also responsible for coordinating the activities of city council.

The 2020 general government budget, which includes administration and finance, was \$1,363,912, or approximately 16 percent of the total budget. Administration and finance are staffed by seven full-time employees. Services include general administration, human resources, payroll, finance, and accounting. Accounting encompasses accounts payable, accounts receivable, and utility billing (refuse and recycling, water, and sewer). Administration and finance operate out of City Hall, 24 Kennedy Street.

Berkheimer collects the business privilege, earned income, mercantile, and local services taxes. The city collects property and per capita taxes for itself and the school district. The city also performs utility billing and collections for refuse and recycling, the water authority, and the sewer and stormwater authority. Payroll is also an internal function of administration/finance.

Edmunds financial management software, a cloud-based system, was installed in 2019. The system is used by administration, finance, and property maintenance for finance, utility billing (refuse and recycling, water, sewer, and stormwater), rental registration fees, and parcel management functions. Residents can pay outstanding invoices online using the online payment portal, which is integrated with the Edmunds system.

The Bradford Water Authority and the Bradford Sanitary Authority (sewer and stormwater), both of which receive billing and collection services from the city, also use the Edmunds Financial Management System.

Financial operations are complex and should be based on best management practices and sound financial procedures. The city should consider drafting and adopting an Accounting Policies and Procedures Manual. Policies that should be considered include finance calendar, general cash

receipts policy, credit card/fuel card policy, capitalization policy, balanced budget policy, fund balance policy, investment policy, debt management policy, and a contribution policy.

A written policies and procedures policy manual ensures appropriate checks and balances are incorporated into daily financial activities. The manual should detail the annual financial/business cycle in areas such as reports due to the state, timing of audits, tax filings, etc. A written manual also ensures continuity of operations in the event the city loses key personnel.

Edmunds is used to digitally store records. Records generated prior to the installation of Edmunds are not digitized, requiring an inconvenient and time-consuming search, and limited access in some cases. The city should consider seeking STMP Phase II funds to digitize the old records based on the Pennsylvania Historical and Museum Commission's records retention policy.

Municipal governments are being tasked with increased transparency and communication with their constituencies. This communication includes providing the public with agendas and minutes for elected and appointed boards and commissions, financial information, operational and legislative information, parks and recreational opportunities, etc.

The use of a municipal website and social media such as Facebook is a best management practice. The city of Bradford maintains a website at <http://www.bradfordpa.com>. The site needs a re-design, allowing for ease of navigation and increased dissemination of information specific to all areas of municipal operations. The city does not have an active social media presence. Phase II STMP funds should be considered for a website re-design with the goal of increased transparency and active communication with the city's constituencies. An active social media presence should be considered.

The city should ensure that all planning documents are updated including the comprehensive plan, sub-division, and land development ordinance (last updated 1981), and the zoning code (last updated 2009). The comprehensive plan is critically important, identifying community priorities in areas such as economic development, transportation, housing, recreation, public services, etc. Updated planning documents serve as a foundation for projects and funding needed for implementation. STMP Phase II funding can be sought for planning efforts.

The city has an established cloud-based back-up process for Edmunds with a local copy generated for redundancy purposes. Computer hardware throughout City Hall needs replacement, according to the city administrator. Refurbished hardware was purchased and installed after a ransomware attack with both IT security and back-up procedures also addressed at that time.

The city should ensure that IT security, both software and hardware, i.e., firewalls, virus protection, etc. is re-evaluated on an annual basis. The city's third-party IT firm should be tasked with monitoring the ever-changing IT threat landscape. The city should ensure that appropriate policies are drafted, and training is implemented specific to IT security, i.e., safe access and use of networks and password management policies. Phase II STMP funds should be considered for any needed IT hardware and software improvements specific to IT security.

The city adopted a non-uniformed employee manual in 2018. The manual contains employment policies such as equal employment, harassment/sexual harassment, non-discrimination, etc. The city

should conduct an annual review of the Employee Policy and Procedure Manual to confirm continued compliance with applicable employment law and consistency with actual operational practices. Training in policy areas that are more apt to create risk for the city should be considered. i.e., equal employment opportunity, sexual harassment, and diversity and inclusion.

The city should ensure that all employees are operating within the bounds of an updated job description. Job descriptions are the baseline for employee expectations and performance, and they should be consistent with actual duties and the responsibilities being performed. Employees should be issued and acknowledge updated job descriptions, as necessary, as part of an annual performance review process. The city does not currently conduct annual performance reviews.

Employee performance reviews provide feedback to employees; identify, document, and correct performance deficiencies; allow the employer and employee to identify opportunities for professional development and future promotions; and increase communication and engagement.

The city should consider updating its policy on employee performance reviews, providing the necessary forms and training to all supervisory personnel. Phase II STMP funding can be considered for the development of an updated performance review process, training for employees in supervisory positions, and for the development of career development plans for all positions.

City Hall provides adequate space for operations and storage, but the building needs system improvements in areas such as the HVAC system. The city should identify all needed improvements and incorporate the associated costs into a long-term capital budget. Supplemental funding for facility improvements can be considered from programs such as the [USDA Rural Community Facilities Direct Loan and Grant Program](#).

Recommendations – Administration and Finance

1. The city should consider seeking funding to facilitate a digitization project, identifying specific records and a timeline for digitization. Electronically storing records, in some cases, allows for the disposition of records, per the Pennsylvania Historical and Museum Commission (PHMC) Records Retention Policy. Phase II STMP funding should be considered to facilitate the project.
2. The city should ensure that all planning documents are updated, to including comprehensive plan, sub-division and land development ordinance, and the zoning code. The comprehensive plan is critically important, identifying community priorities in areas such as economic development, transportation, housing, recreation, public services, etc. STMP Phase II funding can be sought to facilitate planning efforts.
3. The city should consider drafting and adopting an Accounting Policies and Procedures Manual. Policies that should be considered including finance calendar, general cash receipts policy, credit card/fuel card policy, capitalization policy, balanced budget policy, fund balance policy, investment policy, debt management policy, and a contribution policy. A written Accounting Policies and Procedures Policy Manual ensures appropriate checks and balances are incorporated into daily financial activities. The manual should detail the annual financial/business cycle in areas such as reports due to the state, timing of audits, tax filings,

- etc. A written manual also ensures continuity of operations in the event the city loses key personnel.
4. Phase II STMP funds should be considered for a website re-design with the goal of increased transparency and active communication with city constituencies. An active social media presence should be considered.
 5. The city should conduct an annual review of the Employee Policy and Procedure Manual to confirm continued compliance with applicable employment law and consistency with actual operational practices. Training in policy areas that are more apt to create risk for the city should be considered, i.e., equal employment opportunity, sexual harassment, and diversity and inclusion.
 6. The city should consider updating its policy on employee performance reviews, providing the necessary forms and training to all supervisory personnel. Phase II STMP funding can be considered for the development of an updated performance review process, training for employees in supervisory positions, and for the development of career development plans for all positions.

Office of Economic and Community Development

The Office of Economic and Community Development oversees numerous successful programs that have greatly contributed to the city's efforts to control blight, increase residential and commercial development, and grow the tax base. OECD has accomplished much of these tasks by leveraging a wide array of public and private funds as opposed to city general fund dollars, including establishment of an extensive rental operation.

While its work is generally commendable, OECD has kept its financial management separate from the city. A primary recommendation would be to continue with the current activities but integrate financial operations with the city to promote accountability, ensure greater interaction with city operations and provide a higher level of transparency.

Background

The Office of Economic and Community Development (OECD) was created in 1987. OECD is codified in Chapter 17 of the City of Bradford Code, as adopted on July 14, 1987, and amended on September 29, 1993. Chapter 17 of the code creates OECD, staffs the positions of executive director of economic and community development, administrative assistant, and fiscal officer, and makes the department part of public affairs.

Currently, OECD includes an executive director, accountant, and Main Street manager, as well as two carpenters, two construction employees, and one maintenance worker. OECD runs an extensive property rental operation and is also involved with new home construction. The department also oversees the HUD Community Development Block Grant and HOME programs for the city.

The mission of OECD is development of new housing; housing rehabilitation; improving infrastructure; recreational capital improvements; recreational capital improvements; historic/downtown preservation; and neighborhood revitalization.

Programs

OECD works with the Downtown Bradford Revitalization Corporation, a 501(c)(3) that focuses on historic Main Street and city neighborhoods, and the Bradford Economic Development Corporation, which operates the Lafferty Hollow Industrial Park, a 350-acre Keystone Opportunity Zone site. OECD provides staff support for the Economic Development Corporation. The city offers commercial and residential Local Economic Revitalization Tax Assistance (LERTA) programs and economic development loan programs, which are administered by OECD.

The city operates a robust Main Street program that includes the recently completed Bradford Historic District Streetscape Project. OECD made use of a diverse funding stream for the project including the Commonwealth of Pennsylvania Redevelopment Capital Program, Appalachian Regional Commission, Community Development Block Grant Program, PennDOT-Tap, the Philo and Sarah Blaisdell Foundation and Zippo Manufacturing.

OECD also operates a façade improvement program for the downtown. In addition to revitalization activities, the Main Street program plans events to draw people to the city's downtown.

The Neighborhood Partnership Program (NPP) is a public private partnership currently involving American Refining Group, Zippo Manufacturing Co., and Northwest Bank, along with OECD and the Downtown Bradford Revitalization Corporation. The private investors contribute a minimum of \$50,000 per year for five years and receive a tax break of 75 percent on that contribution.

The most recent \$1.5 million in private funds has leveraged over \$7 million in matching funds from federal, state, and local sources for NPP.

Blight Remediation Efforts

OECD has completed significant work on neighborhood blight remediation through the NPP and similar efforts. Revitalization efforts started in 2006 with the over \$7 million Project Pride Neighborhood initiative and continued with the development of NPP in 2013 including:

- Blight removal through the acquisition and demolition of blighted properties and addressing blighting conditions through property maintenance.
- Rehabilitation of existing housing stock through extensive rehabilitation of owner-occupied units and the offering of match funding for exterior façade improvements for all property owners.
- Construction of new housing to attract moderate income homebuyers, provide new housing in the community and increasing the housing tax base.
- Improve the condition of the streets and make the neighborhoods safe and walkable to the downtown core and the Tuna Valley trail system through the replacement of sidewalks, curbs, ADA ramps, decorative crosswalks, and street lighting.
- Offer down-payment and closing cost assistance to encourage homeownership in the neighborhood.

- Involve the residents through the development of community gardens and pocket parks and hold neighborhood events such as a clean-up day, National Night Out and committee work under Elm Street Program initiatives.

The NPP acquires and renovates dilapidated properties or demolishes them if they are beyond repair. For example, a neighborhood commercial building was renovated and is now the home of the successful Bradford Brew Station. Four new homes were built for sale with two more under construction fully demolition of older properties. Work is done by OECD's in-house carpenters and outside contractors.

Projects completed by OECD has improved the tax base by placing new or improved properties on the tax rolls. The efforts have also created jobs, improved pedestrian safety and reduced blight, which are factors that lead to reduce crime.

The city is wrapping up the current five-year NPP funding cycle and plans to begin a new five-year phase of improvements in 2022.

Rental Operation

OECD manages 54 rental units including a single family residential; two, four-unit residential buildings; one, eight-unit residential building; one, two-unit residential building; and four Multi-Tenant Center Buildings. There are 26 residential units and 28 commercial units total with some current vacancies including three at Old City Hall. Certain spaces cannot currently be leased as there are no private entrances.

Monthly rent amounts to \$80,750 at current rates if fully occupied. Rents are used for facility maintenance, OECD salaries and city projects.

Property Maintenance

OECD property maintenance is separate from the city's Department of Property Maintenance. The OECD operation has two maintenance employees and two carpenters. The lead maintenance worker handles most maintenance needs for OECD's rental properties (leaky toilets, HVAC maintenance, etc.). Larger jobs beyond OECD's scope are outsourced. The second maintenance employee assists the lead maintenance worker, performs all groundskeeping, and assists on projects with OECD carpenters.

The two carpenters often work on two separate OECD projects. Currently, one carpenter is remodeling a commercial building into a four-unit residential housing space. The other carpenter is working on converting an oversized single-family dwelling into a two-unit residential space. This second project is within the NPP neighborhood, and it is mostly NPP funded by private NPP dollars. When not working on new OECD projects (or simultaneously with new projects), necessary remodels are completed on existing residential housing units.

The OECD carpenter crew is not part of the HOME rehabilitation program. HOME projects are bid out to approved, local contractors.

Complete financials for past OECD housing construction projects, which were completed under a previous OECD executive director, were not immediately available. However, two homes built by OECD carpenters under the NPP were recently sold at a loss of approximately \$50,000 due to prevailing market conditions. Funds used for these projects were strictly from the NPP and not the city's general fund.

OECD has traditionally operated independently of city administrative operations, creating inefficiencies, duplication of resources, and communication barriers. Examples include redundant finance systems, multiple audit reports, and a general lack of oversight by city administration and council.

Recommendations – OECD

1. **Consider formalizing OECD as a city department, specifically under Section 3-4 Administrative Departments of the Bradford City Code.** The current city administrator and OECD executive director are working well together and are transitioning the relationship to a more customary departmental relationship, with increased collaboration. OECD has a long history of productivity and positive contributions to the community.
2. **Continue with current economic development activities.** OECD has an extremely robust economic and community development program. The department should continue with these activities as described above, making use of state grant and loan programs as needed, including STMP Phase II grants.
3. **Consider eliminating the carpenter positions and outsourcing housing renovation and construction projects.** Eliminating these positions and using a contractor could potentially save OECD money that could be used towards other activities.

Department of Public Works

The Public Works Department is comprised of 21 FTEs, which includes the public works director, one electrician, eight refuse workers, and three parks' employees. Staffing appears adequate for the level of service delivery. The department provides maintenance and repair for 30.68 miles of roadway; maintenance and repair of 11 traffic signals; roadway signage; maintenance, repair, and mowing of six city owned park facilities; refuse and recycling collection; maintenance and repair of stormwater infrastructure; street sweeping; and fall leaf collection.

Roadway maintenance includes base repair, repair and replacement of signage, roadside mowing, guardrail maintenance and repair, and snow/ice control. The department uses third-party contractors for annual asphalt overlay and tar and chip treatment projects. Public works personnel perform preliminary base repair and address roadway related stormwater issues, i.e., repair and/or replacing stormwater inlets in advance of the annual overlay program.

The department had a 2020 annual budget of \$1,700,216, which is approximately 20 percent of the general fund operating budget. Applicable public works activities are also funded using the Liquid Fuels Fund. The amount of a municipality's allocation is based on its population and miles of roads on their approved Liquid Fuels Inventory.

The 2021 Pennsylvania Department of Transportation Liquid Fuels Inventory shows the city of Bradford with 30.68 miles of roadway and a population of 8,770. The 2021 net liquid fuels allocation (minus \$1,113 for bridge inspection) received by the city was \$250,171. Examples of allowable expenditures include the construction, reconstruction, maintenance and repair of public roadways and the purchase of equipment. The city’s population in the 2020 Census dropped to 7,849, which will lower the liquid fuels amount going forward.

Department personnel collect refuse and recycling once a week from approximately 3,106 residential properties. The residential collection fee is \$21/residential property, billed annually with a monthly remittance available (coupon book). Residents are permitted to dispose up to four bags of refuse weekly. Additional disposal is available for \$1.50/bag.

Recyclable materials are collected bi-weekly, with cardboard collected one week, and glass, cans, and bottles collected on the alternate week. Bulk items and white goods are collected for a charge of \$35 per item when scheduled. Personnel assigned to refuse and recycling work 4 a.m. – 12:30 p.m. The city operates two refuse trucks and two recycling trucks.

Refuse and recycling collection is a service provided for a fee. The city should ensure that the refuse and recycling fee is covering the program’s expenditures including salary, health and welfare benefits, vehicles, tipping fees, and future capital replacement of equipment.

The public works department has a digital inventory of assets (roadways, street signage, traffic lights, stormwater infrastructure, etc.). The department details and documents service calls, infrastructure repairs, infrastructure replacement, etc.

Public works activities can present an employee risk, which can be mitigated with health and safety policies and training. The city should consider drafting a health and safety manual. This manual should address policies and procedures specific to safety in the workplace and should include best management practices specific to operation of equipment, safety clothing, personal protective equipment (PPE), and training.

Table 4-1

Bradford Public Works – Parks Functional FTEs

Public Works – Parks Functional Employees	Number of FTEs
Highway Maintenance	9
Parks	3
Refuse and Recycling	8
Electrician	1
Total Public Works FTEs	21

The Public Works facility is located at 112 Holley Road. The facility is used for storage of equipment and materials, work space, break rooms, and offices. The facility is organized into various rooms including streets department storage and work area, wash bay, streets department break room, mechanics office, electricians’ office, electricians work room, sign room, refuse equipment storage area, refuse office, refuse personnel break room, tool room, weld shop, and barricade storage room.

There is adequate space for the storage of all equipment inside the facility. The salt shed is located immediately adjacent to the public works garage. The three-sided, covered structure, constructed in 2011, is concrete blocks with a steel frame/fabric roof and holds approximately 600 tons of material. The public works director reports that 600 tons of storage capacity is adequate but in times of significantly inclement weather, additional capacity would improve operational efficiency.

Table 4-2*Bradford Public Works – Parks Department Vehicle Inventory*

Year	Make	Activity
1999	International	Refuse & Recycling
2004	International	Refuse & Recycling
2008	Mack	Refuse & Recycling
2016	Mack	Refuse & Recycling
2016	Mack	Refuse & Recycling
1987	Ford 8000	Public Works – Highway
1991	International	Public Works – Highway
1991	International	Public Works – Highway
1998	Ford Van	Public Works – Highway
1998	Dodge 3500	Public Works – Parks
1999	International	Public Works – Highway
2001	Chevy 2500	Public Works – Parks
2003	Chevy	Public Works – Highway
2006	Ford F350	Public Works – Highway
2008	Ford F350	Public Works – Highway
2010	Ford F350	Public Works – Highway
2013	Ford F350	Public Works – Highway
2015	Ford F350	Public Works – Highway
2016	Ford F350	Public Works – Highway
2017	Ford F350	Public Works – Highway
2020	Chevy 3500 HD	Public Works – Highway
1995	CAT Loader	Public Works – Highway
2005	Elgin Pelican Sweeper	Public Works – Highway
2020	Bobcat Skid Steer	Public Works – Highway
1987	Zamboni	Public Works – Parks
2005	Zamboni	Public Works – Parks
2019	John Deer	Public Works – Parks

Parks and Recreation

The public works director is tasked with oversight of all parks, related equipment, and programming. The department has three employees — one foreman and two laborers — allocated to the maintenance and repair of the city's six parks. Additional part-time, seasonal employees are hired in the summer months to bolster manpower and to fill lifeguarding positions at the Callahan Park Pool. The 2020 budget for parks was \$509,320.

Table 4-3

Bradford Park and Recreation Facilities

Facility	Amenities
Callahan Park	Pool Ice rink Basketball courts (3) Tennis/Pickleball Courts (4) Playground equipment
Hanley Park	Skate Park Playgrounds (2) Horseshoes Basketball court
Veterans Square	Veterans Memorials Gazebo
5 th Ward Park	Basketball Court Pavilion Swings Play equipment
Burns Memorial Park	Basketball court Swings and play equipment Pavilion
Congress Street Park	Basketball court Swings and play equipment

Park facilities and recreational opportunities are important assets to all communities, providing positive physical, mental, and economic benefits. The city’s largest park is Callahan Park. The number of amenities and resultant maintenance, repair, and replacement cost of amenities make a long-term capital improvement plan critically important.

City parks need maintenance and capital improvement. Examples of necessary repairs and/or replacement (in multiple locations) include the replacement of swings and playground equipment, replacement of basketball courts, and inspection, repair, and potential replacement of the pedestrian bridge connecting the parking area at Callahan Park to the pool and ice rink.

The city should consider performing a recreational study, perhaps as part of a comprehensive planning process, to identify the long-term recreational needs of the community. Supplemental grant funding for planning can be sought from the STMP Phase II and the [DCNR Community Conservation Partnership Program](#). The city should consider seeking funding for capital improvements from the DCNR Community Conservation Partnership Program.

Recommendations – Department of Public Works and Parks and Recreation

1. Consider drafting a health and safety manual. This manual should address policies and procedures specific to safety in the workplace and should include best management practices

specific to operation of equipment, safety clothing, personal protective equipment (PPE), and training.

2. Consider drafting a ten-year capital replacement plan for all department equipment.
3. Ensure that the refuse and recycling fee is supporting the program's expenditures including salary, health and welfare benefits, vehicles, tipping fees, and future capital replacement of equipment.
4. Consider conducting a detailed inventory and drafting a ten-year capital replacement plan for all park infrastructure and any equipment used by the public works department to maintain park infrastructure.
5. Consider pursuing available grant funding for park improvements through the Department of Conservation and Natural Resources (DCNR) in addition to STMP Phase II. This can be accomplished with in-house staff or using third-party grant writing consultants.
<https://www.dcnr.pa.gov/Communities/Grants/Pages/default.aspx>
6. Consider conducting a parks, trails, and recreation study as part of a municipal comprehensive plan update. This study will help identify and focus community and organizational goals in the areas of parks, trails, and recreation and potentially provide a base starting point in the grant acquisition process.

Public Safety

Police Department

The Bradford Police Department is one of eight police departments operating in McKean County. Other law enforcement agencies in McKean County include: The University of Pittsburgh - Bradford Campus Police Department, Bradford Township, Foster Township, Smethport Borough, Port Allegany Borough, Otto-Eldred Regional, Kane Borough, and the Pennsylvania State Police, Troop C, operating out of barracks in Lewis Run Borough.

The townships that immediately surround the city, Bradford Township and Foster Township, each operate a part-time municipal police department, reportedly in service from 8 a.m. – 2 a.m. daily.

The Bradford Police Department is located at 18 Kennedy Street. The department provides law enforcement services 24 hours/day, seven days/week to the city's residents in a 3.5 square mile area. The department is dispatched by the McKean County 911 center, located in Smethport.

The police department also provides three school resource officers (SRO), to the Bradford Area School District, via a contractual agreement. The school resource officers provide services to the George G. Blaisdell Elementary School (K-2), School Street Elementary School (3-5), Floyd C. Fretz Middle School (6-8), and the Bradford Area High School (9-12). The SROs are added to the patrol complement when school is not in session, providing additional manpower to the department.

The police department operates with 20 FTEs, which includes the three SROs and the chief. This FTE count translates to 2.47 officers per 1,000/population. Officers are assigned to one of four platoons, each staffed by four sworn officers, working 12-hour shifts. Two platoons of officers are assigned to work during the day and two are assigned to work the night shift. The 12-hour shift

rotation consists of four shifts on duty, one off duty, and then two on duty, followed by four days off.

Patrol is comprised of 16 department members. Activities such as criminal investigation, commercial vehicle/heavy truck enforcement, evidence collection, accident re-construction, DUI enforcement, and polygraph operations are conducted by specially trained officers assigned to the patrol division. Eight officers are trained and assigned to participate in the McKean County Drug Task Force, a specialized unit conducting drug enforcement activities both in the city and throughout McKean County.

The police chief reports that organizational staffing should include a chief, assistant chief, lieutenant, four sergeants, ten patrol officers, three SROs, and one part-time administrative assistant. There are currently several vacant positions including the assistant chief, three sergeants’ positions, and an expected vacancy of one lieutenant position in 2022.

The police chief is attempting to fill the vacant patrol officer positions. Supervisory structure within a police department is critical. The city should consider filling the vacant sergeants’ positions to ensure supervisory integrity on all shifts. Promoted personnel should be provided with supervisory training to include, at a minimum, Police Supervisory In-Service Training (POSIT), followed eventually by Police Executive Development Training (POLEX).

The department currently has one part-time, non-sworn administrative employee, who also enforces parking violations. This level of staffing is limiting the administrative work being completed or shifting it to sworn officers and is also limiting parking enforcement. The city should evaluate the possibility of increasing the staffing in this position (parking and administrative), perhaps using additional part-time employees to avoid additional legacy costs.

Table 4-4

Bradford Police Department Complement

Rank	Authorized Complement
Police Chief	1
Lieutenant	2
Sergeant	1
Patrolman	13
School Resource Officer	3

The chart below details dispatched calls for service and reportedly does not include walk-in complaints taken at the station, according to the police chief. The department should consider ensuring that all calls for service are being documented with the McKean County 911 Center. Accurately tracking all police department activity is critical to understanding necessary resource allocation and ensures internal organizational transparency throughout the chain of command. Any policy addressing the need to report all complaints received should also address report generation requirements in the Visual Alert system.

Table 4-5*Bradford Police Department Total Calls for Service*

	2019	2020	2021*
Dispatched Calls for Service	10,733	9,274	4,888

*Through June 30, 2021

Table 4-6*Bradford 2019 Offenses and Clearances*

Offenses	Offense Count	Clearances	Clearance Rate %	Arrests
Rape	2	1	50	0
Robbery	6	4	66.67	2
Aggravated Assault	78	61	78.21	37
Simple Assaults	35	19	54.29	8
Burglary	10	5	50	3
Larceny – Theft	163	24	14.72	23
Motor Vehicle Theft	4	1	25	4
Arson	3	1	33.33	0
Total	301	116	38.54	77

Table 4-7*Bradford 2020 Offenses and Clearances*

2020 Offenses	Offense Count	Clearances	Clearance Rate %	Arrests
Rape	1	4	400	0
Robbery	0	0	0	0
Aggravated Assault	65	51	78.46	25
Simple Assaults	27	12	44.44	2
Burglary	13	2	15.38	1
Larceny – Theft	125	24	19.20	10
Motor Vehicle Theft	9	4	44.44	0
Arson	4	0	0	0
Total	301	116	38.54	38

The police department operates under the Bradford Municipal Code, Title 18 - Crimes and Offenses and Title 75 - Vehicles. The policy manual should be reviewed on an ongoing basis for compliance with all applicable laws, changes in law enforcement best practices, and consistency with police department operations. Review and amendment of the police department policy manual should be a high priority. Special attention should be given to policies such as, but not necessarily limited to, use of force, motor vehicle pursuits, officer involved shootings, and domestic violence.

The police department should consider pursuing accreditation through the Pennsylvania Chiefs of Police Association. There are approximately 1,117 law enforcement agencies in the Commonwealth of Pennsylvania, of which approximately 145 or 13%, have received accreditation. Accreditation provides the necessary framework to ensure that best management practices, appropriate standards, policies, and procedures are established within the department and maintained. Accreditation also communicates these professional standards to the community being served.

Additional information on accreditation can be found on the Pennsylvania Chiefs of Police website located at <https://www.pachiefs.org/pcpa-accreditation-program>. Phase II SMPP funding or funding through the [Pennsylvania Commission on Crime and Delinquency](#) (PCCD).

Accreditation is a progressive and time-proven way of helping institutions evaluate and improve their overall performance. The cornerstone of this strategy lies in the promulgation of standards containing a clear statement of professional objectives. Participating administrators then conduct a thorough analysis to determine how existing operations can be adapted to meet these objectives. When the procedures are in place, a team of independent professionals is assigned to verify that all applicable standards have been successfully implemented. The process culminates with a decision by an authoritative body that the institution is worthy of accreditation.

Police department personnel use “Visual Alert” as their records management platform. Visual Alert uses an onsite server that dates to 2017, according to the police chief. The useful life of a server is approximately five years. The city should consider replacing the onsite Visual Alert server in the short term. Phase II STMP grant funding can be sought to facilitate replacement.

Department personnel use workstations in the patrol room for report writing. Workstations are up to date and replaced as necessary. In car computers are also up to date and provide all functionality needed by patrol officers with no unmet needs identified by the police chief.

Department personnel use Axon body worn, and vehicle mounted dash cameras. All officers and vehicles are equipped with the Axon camera equipment. Officers are issued and carry the Glock 21, a .45 caliber handgun. Departmental issued handguns are reported to be five to eight years old and should be considered for replacement.

Patrol vehicles are also equipped with Mossberg 590 tactical shotguns and Colt AR-15 .223 patrol rifles, securely carried and patrol ready (loaded magazine, empty chamber, and safety on). Ballistic vests, also known as body armor, are issued, and worn by all sworn personnel. Vests are reportedly replaced every five years which is compliant with recognized best practice, assuming proper care and storage.

Table 4-8

Bradford Police Department Vehicle Inventory

Police Department Vehicle	
2011 Dodge Charger	Sedan - Unmarked Unit
2016 Ford Interceptor	Sedan
2017 Ford Explorer	Sport Utility Vehicle
2018 Dodge Charger	Sedan
2019 Dodge Charger	Sedan
2020 Ford Explorer	Sport Utility Vehicle

The police department is headquartered in a one-story block building at 18 Kennedy Street. The facility is comprised of a waiting area, administrative area, the chief's office, supervisors' office, interview room, patrol room, locker room, break room, records/file room, and prisoner holding/processing which is made up of two block/steel mesh cells. The building has a gas-powered

back-up generator that is reportedly at the end of its useful life. The city should consider seeking grant funding to facilitate replacement of the back-up generator, allowing for mission critical continuity of operations in times of emergency, which includes a loss of primary power.

The block walls in the cell area are outside walls and reportedly create an environmental challenge in the winter, making it difficult to heat the cells.

Prisoner processing, digital fingerprints, and digital photographs are done using a Live Scan machine. Outside law enforcement agencies reportedly also use Live Scan, including Bradford Township, Foster Township, Eldred Borough, University of Pittsburgh – Bradford, and the Pennsylvania Game Commission. The city should ensure that agreements are in place with participating outside agencies utilizing the Live Scan machine; said agreements should address charges for service, waivers, releases, and indemnification, as appropriate.

The cell block area is under both video and audio surveillance, with the audio functionality working only intermittently. Prisoner holding is a high-risk activity. High resolution video and audio, along with proper policies for prisoner intake screening and monitoring, are critical risk mitigation components. The city should consider upgrading the surveillance cameras (video and audio) in the cell block area. It is prudent to have, at a minimum, video surveillance in all areas of the facility that can be accessed by the public or persons in custody. Grant funding can be sought for facility improvements.

No facility-based camera system is in place for interviews and/or interrogations; officers use body worn cameras to document interviews/interrogations, as needed. The use of body worn cameras to document interviews/interrogations has worked well, according to the police chief. The chief does not believe there is a need for additional IT infrastructure to facilitate this type of activity. IT infrastructure that powers the camera systems is in various, unsecured areas of the building. All IT infrastructure should be re-located to an environmentally controlled, secure area.

The department interacts with its constituencies using Facebook, Twitter, and [Crimewatch](#). Communication on all platforms should be frequent, providing up to date information, or followers will tend to disregard the sites. The department should consider assigning this duty to a select number of personnel, sworn or otherwise, trained in public relations and communications.

Annual performance reviews are not done in the police department. Employee performance reviews provide feedback to employees; identify, document, and correct performance deficiencies; allow the employer and employee to identify opportunities for professional development, future promotions, and generally increase communication and engagement. The city should consider updating its policy on employee performance reviews, providing the necessary forms and training to all supervisory personnel. Phase II STMP funding can be considered for the development of an updated performance review process, training for employees in supervisory positions, and for the development of career development plans for all positions.

Recommendations – Police Department

1. The policy manual should be reviewed on an ongoing basis for compliance with all applicable laws, changes in law enforcement best practices, and consistency with police department operations. Review and amendment of the police department policy manual should be a high priority. Special attention should be given to policies such as, but not necessarily limited to, use of force, motor vehicle pursuits, officer involved shootings, and domestic violence.
2. Consider filling the vacant sergeants' positions to ensure supervisory integrity on all shifts. Supervisory structure within a police department is critical. Promoted personnel should be provided with supervisory training to include, at a minimum, Police Supervisory In-Service Training (POSIT), followed eventually by Police Executive Development Training (POLEX).
3. Evaluate the possibility of increasing part-time staffing in the police department administrative/parking enforcement position. Using part-time employees avoids legacy costs.
4. Consider replacing the onsite Visual Alert in the short term. Visual Alert is operated using an onsite server that dates to 2017. The useful life of a server is approximately five years, meaning the current server represents an operational risk. The city should seek Phase II STMP grant funding to facilitate replacement.
5. Move the police department server and associated IT infrastructure to a secure, environmentally controlled space. The police department server and associated IT equipment currently are in various locations throughout the police department.
6. Consider drafting a Continuity of Operations Plan that would identify alternate locations appropriate for both short and long-term operational use, ensure IT/records management back-up, communications, re-location of evidence, etc. Police departments providing mission critical services to a community must be prepared for all exigencies, i.e., storm damage, fire damage, water damage, or any other circumstance that would render police department headquarters unusable.
7. Consider seeking grant funding to replace the back-up generator. A back-up generator would provide mission critical continuity of operations in times of emergency such as loss of primary power.
8. Investigate options to improve environmental conditions in “environmentally challenged” areas of the police facility. For example, the block walls in the cells are outside walls that are difficult to heat the cells.
9. Ensure that agreements are in place with participating outside agencies utilizing the Live Scan machine. Outside agencies that use the equipment include Bradford Township, Foster Township, Eldred borough, the University of Pittsburgh at Bradford, and the Pennsylvania Game Commission. The agreements should address charges for service, waivers, releases, and indemnification, as appropriate.
10. Consider upgrading the surveillance cameras (video and audio) in the cell block area. Prisoner holding is a high-risk activity. High resolution video and audio, along with proper policies for prisoner intake screening and monitoring, are critical risk mitigation

components. At a minimum, the city should ensure workable video in all areas of the facility accessed by the public or persons in custody. Grant funding can be sought for facility improvements.

11. Consider evaluating alternatives to housing prisoners in the police department facility. Alternatives to be considered include the local Pennsylvania State Police facility located in Lewis Run, PA and the McKean County Prison facility, located in Smethport, PA. Housing prisoners off-site would add time in custody during transportation but would alleviate the need to monitor prisoners for extended periods of time while in custody and ultimately would reduce risk.
12. Consider publishing an annual operations report and sharing with internal and external stakeholders. The report should thoroughly document all aspects of police department operations with the goal being transparency.
13. Consider assigning social media to a select number of personnel, sworn or otherwise, trained in public relations and communications. The department using Facebook, Twitter, and CrimeWatch. Communication on all platforms should be frequent, providing up to date information or followers will tend to disregard the sites.
14. Consider pursuing accreditation through the Pennsylvania Chiefs of Police Association.

Property Maintenance Department

Property maintenance was created in 2014 when tasks specific to code related complaints and rental property registration and inspections were transferred from the Fire Department to the newly created department. Permitting, building code inspections, and restaurant/health inspections remain the purview of the Fire Department.

Primary responsibilities in property maintenance include managing the rental registration and inspection program, responding to codes and nuisance complaints, managing dilapidated, nuisance properties and managing the sales disclosure inspection process.

Property maintenance is staffed by two full-time employees including a director and a shared part-time employee. Staffing appears appropriate based on current responsibilities and expected levels of service delivery. Staff reports effective coordination and shared responsibilities between various city departments including the fire department, OECD, city administration, and the public works department. Based on current job functions, department personnel are not required to have licensure or certifications. Department personnel use the Edmunds system, which works well and provides the functionality that is needed.

Table 4-9

Department of Property Maintenance Staffing

Position	FTE Count
Director, Inspector	1 FTE
Inspector	1 FTE
Secretary	0.6 FTE

There are approximately 4,371 housing units in the city of Bradford, of which 51.6 percent are owner occupied, according to 2015-2019 ACS data. The city has a rental property registration and inspection program, requiring rental units to be registered annually at a cost of \$45 and inspected biennially. The registration and inspection program dates to 2007, and department personnel report no current deficiencies or unmet needs in the program.

Table 4-10*City of Bradford Rental Program Inspections*

Activity	2019 ⁷	2020 ⁸	2021 YTD ⁹
Rental Inspections	664	542	432
Rental Re-inspections	122	70	95
Total Inspections	786	612	527

Approximately 80 to 90 properties in need of condemnation are tracked and addressed by department personnel on an ongoing basis, according to the property maintenance director. A highly detailed process must be followed to reach condemnation and demolition.

The process includes code inspections, detailed documentation, declaration of unsafe or uninhabitable conditions, notice to both internal and external stakeholders, coordination with the Board of Health, notice to abate, proper notice re: hearings, a hearing of City Council, a formal declaration of condemnation, a notice of appeal, and finally coordination with OECD for funding and implementation of demolition. OECD coordinates the process of demolition and provides the funding using Community Development Block Grant funding (CDBG). The process, from start to finish, on average, takes approximately six months.

Table 4-11*City of Bradford Department of Property Maintenance Complaint Data*

	2019 ¹⁰	2020 ¹¹	2021 ¹²
Complaints	123	200	237

As noted above, functions such as permitting, building codes inspections, and restaurant inspections are currently handled by the city's Fire Department. The activities of the property maintenance and fire. The city should ensure effective communication exists between the Department of Property Maintenance, the Fire Department (Uniform Construction Code, Permitting, and Inspections), and OECD.

⁷ Not a full year of data - number includes information from Edmunds – implemented in March, 2019

⁸ 2020 – COVID-19

⁹ Year to date as of October 7, 2021

¹⁰ Not a full year of data - number includes information from Edmunds – implemented in March, 2019

¹¹ 2020 – COVID-19

¹² Year to date as of October 7, 2021

Recommendations – Department of Property Maintenance

1. The city should ensure effective communication exists between property maintenance, the codes and permitting functions of the fire department, and OECD. In the long-term, the city should consider moving permitting, building code inspections, and restaurant/health inspections from the fire department and consolidating with property maintenance to form a new department.
2. The city should regularly evaluate its rental registration and inspection program to ensure that the goals and objectives of the program are being met, i.e., ensuring the health, safety, and welfare of renters and battling blight by ensuring that the city's housing stock is maintained to appropriate standards.

Fire Department

The Bradford Fire Department provides fire, emergency medical services, building and codes inspection, and restaurant/health inspection services to the city.

The EMS first response area extends beyond the city's 3.5 square mile boundary and includes an area of approximately 287 square miles with a population of approximately 22,000. The department is dispatched by the McKean County 911 center, located in Smethport.

Bradford Central Fire Station, located at 25 Chestnut Street, serves as the department headquarters. The four-bay facility houses a tower ladder, a squad, a reserve engine, EMS vehicles, assorted fire and EMS equipment, and a maintenance area. The upper level of the facility includes a duty crew area, fitness room, locker room, a training area, and offices.

The central fire station dates to 1908 and was constructed at a time when fire apparatus and equipment needs were very different. The facility is well maintained, and department personnel are maximizing space and functionality throughout the facility. The department is limited in its selection of apparatus due to building constraints, specifically the size of the apparatus bays.

The department's second station is located at 411 E. Main Street. This 1935, one-bay structure houses one squad and one ambulance. The building includes an apparatus floor, storage, a fitness area, a kitchen, dayroom, and a bunkroom.

Neither firehouse is equipped with a back-up generator, which would facilitate emergency management operations. The city should consider seeking grant funding to facilitate the purchase and installation of a back-up generator at the main station, allowing for mission critical continuity of operations in times of emergency including a power loss.

The city should evaluate the feasibility of consolidating the two current fire stations into one centrally located facility. A preliminary design has already been completed for a proposed consolidated station. STMP Phase II funding can be considered for planning efforts specific to station consolidation.

The department's current complement consists of 20 full-time fire personnel, including the fire chief and the code enforcement/health officer, three part-time positions, and one temporary position.

The current staffing level accommodates vacations, training, sick time, holidays, etc. in the department, which operates 24 hours/day, seven days/week.

The department operates three platoons, each consisting of six fire/EMS personnel, with members of the department working 24-hour shifts, one day on, and three days off. Each platoon is staffed and supervised by a captain and includes a lieutenant. The balance of the complement is made up of firefighters and firefighter paramedics.

Callouts are made on an overtime basis, based on need, in situations such as mutual aid responses, EMS calls, and large incidents such as active structure fires, hazardous materials responses, etc. Department personnel operate from Standard Operating Guidelines (SOG's), which have been updated and reviewed with frequency. Updates are detailed and documented in the SOG document. SOGs should be reviewed on an annual basis, ensuring that guidelines are updated to reflect current best practices, based on available staffing and available equipment.

Table 4-12

Bradford Fire Department Complement

Rank/Function	Current Authorized Complement
Fire Chief	1
Fire Other	13
Fire – EMS	5
Fire – Code Enforcement	1

Table 4-13

Bradford Fire and EMS Responses

Response Types	2019	2020	2021 ¹³
Fire	399	284	225
EMS	2,101	2,064	1,542
Total	2,500	2,348	1,767

Fire department personnel conduct and participate in daily fire and EMS training activities, according to the fire chief. Training is well documented in departmental files. Members of the department have been assigned daily duties to include fire prevention, pre-planning, information technology, firefighter wellness, and grant writing.

The department operates two primary pieces of fire suppression equipment and one reserve apparatus as detailed in the chart below. The department's aerial is a 2003 Sutphen Tower Ladder (Quint). This apparatus, equipped with a 70' aerial, a 1,500 gpm. pump, 500 gallons of water, and ground ladders, has been well maintained and routinely passes both pump and ladder testing.

Tower 1, which has been in service for eighteen years, should be replaced in 2023 based on NFPA standards. Grant monies and low interest loans should also be considered to facilitate the replacement of Tower 1. The department's second primary fire response apparatus is a 2013

¹³ Responses as of August 26, 2021

Sutphen Rescue Pumper. This piece of equipment has reportedly been well maintained and routinely passes pump testing. Squad 1 has approximately 12 years of useful life per NFPA standards. The city should incorporate all large pieces of equipment into a capital replacement plan.

The departments reserve apparatus is a 1997 KME Engine. This piece of equipment is in fair condition with some mechanical issues. The engine reportedly passes the annual pump test. This apparatus should be considered for replacement if, and when, financial resources allow. Replacing the reserve apparatus is secondary only to the replacement of Tower 1. The replacement of the reserve engine may need to be prioritized if mechanical issues accelerate in both frequency and cost.

Table 4-14

Fire Department Apparatus Inventory

Fire	Tower 1	2003 Sutphen Tower Ladder – Quint
Fire	Squad 1	2013 Sutphen Rescue Pumper
Fire	Engine 2	1997 KME Engine (Reserve Apparatus)
Fire	Chief’s Vehicle	2016 Ford Explorer
EMS	Transport Ambulance	2013 AEV Ambulance – Diesel
EMS	Transport Ambulance	2015 Chevy Road Rescue Ambulance – Gas
EMS	Transport Ambulance	2022 Ford E450/Horton Ambulance
EMS	Paramedic Intercept Vehicle	2019 Ford Explorer

Turnout gear was purchased for all firefighters in 2015-2016 with the assistance of the Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grant Program (AFG). Turnout gear includes helmet, fire resistant hood, coat, pants, boots, and gloves. Members do not currently have a second set of gear. The city should consider including second set, or back-up, turnout gear for all members, in a capital purchase/replacement plan, allowing for the prioritization of the city’s needs. The city can also consider seeking grant funding to facilitate the purchase.

Self-Contained Breathing apparatus (SCBA) was purchased in 2019 using the FEMA AFG Program. Members are fit tested for individual face pieces to be used with SCBA. SCBA is compliant with NFPA maintenance and testing standards.

Portable radios were purchased in 2017. The city should actively monitor and coordinate with the McKean County Department of Emergency Services to ensure there is appropriate funding when the county’s radio system is upgraded or replaced.

Emergency Medical Services

The Bradford Fire Department provides basic life support (BLS) and advanced life support (ALS) emergency response and transport services to the city and surrounding municipalities including Bradford, Foster, Lafayette, Otto, and Corydon townships, and Lewis Run borough. As previously noted, this first response area is large, covering approximately 287 square miles with a population of approximately 22,000.

The city has formal agreements in place to provide EMS services to these municipalities. The department is keenly aware that EMS calls are most department responses. EMS training is provided

to personnel who have an interest in that career path. Training is also provided to the public to generate a qualified candidate pool.

Table 4-15

Bradford EMS Responses

Response Type	2019	2020	2021 Year to Date ¹⁴
Basic Life Support	1,245	1,225	968
Advanced Life Support	856	839	574
Total	2,101	2,064	1,542

Table 4-16

Bradford EMS Revenue & Expense

	2019	2020	2021 Year to Date ¹⁵
Revenue	\$489,225	\$521,754	\$373,692
Expenditures	\$471,743	\$486,740	\$325,920
Difference	\$17,482	\$35,014	\$47,772

Fire Department - Codes & Inspections

The fire department provides permitting, building code inspections, restaurant inspections, and commercial inspections of long-term custodial care facilities through the position of building code official/health director. Locating codes and permitting activities within the fire department is not common but not inconsistent with the mission of the fire department, which is to protect life and property.

The building code official/health director administers and enforces the Pennsylvania Uniform Construction Code, receiving and reviewing building permit applications, issuing permits, and conducting applicable inspections. The employee that is used to administer and enforce the Pennsylvania Uniform Construction Code holds the following Pennsylvania certifications from the state Department of Licenses and Inspections:

✓ Residential Building Inspector	✓ Plumbing Inspector
✓ Residential Electrical Inspector	✓ Energy Inspector
✓ Residential Mechanical Inspector	✓ Building Code Official
✓ Residential Plumbing Inspector	✓ Energy Plans Examiner
✓ Building Inspector	✓ Access Inspector/Plans Examiner
✓ Residential Energy Inspector	✓ Building Plans Examiner
✓ Electrical Inspector	✓ Mechanical Plans Examiner
✓ Mechanical Inspector	✓ Plumbing Plans Examiner

Activity/Inspections Completed	2019	2020	2021 YTD
Permit Applications Filed/Reviewed	121	117	126
Restaurant Inspections	70	87	65

¹⁴ As of August 26, 2021

¹⁵ As of August 26, 2021

The city should regularly evaluate permitting and inspection service delivery to its residents. In the long-term, the city should consider moving permitting, building code inspections, and restaurant/health inspections from the fire department and consolidating with property maintenance to form a new department.

Recommendations – Fire Department

1. Continue to review the Standard Operating Guidelines on an annual basis ensuring that all guidelines are updated to reflect current best practices, based on available staffing and available equipment.
2. Evaluate the feasibility of consolidating the two current fire stations into one centrally located facility. STMP Phase II funding can be considered for planning efforts specific to station consolidation.
3. Consider seeking grant funding to facilitate the purchase and installation of a back-up generator, allowing for mission critical continuity of operations in times of emergency which includes a loss of primary power.
4. Plan for a replacement aerial in 2023 based on NFPA standards. Consider incorporating the capital purchase into a ten-year capital replacement plan. Grant monies and low interest loans should also be considered to facilitate the replacement of Tower 1.
5. Consider replacing reserve apparatus 1997 KME Engine. This piece of equipment is reported to be in fair condition with some mechanical issues. The engine reportedly passes the annual pump test. This apparatus should be considered for replacement, if and when financial resources allow. Incorporating the replacement of the reserve apparatus is secondary only to the replacement soon of Tower 1. The replacement of the reserve engine may need to be prioritized if mechanical issues accelerate in both frequency and cost.
6. Consider including second set, or back-up, turnout gear for all members, into a capital purchase/replacement plan, allowing for the prioritization of the city's needs. The city can also then consider seeking an additional round of grant funding to facilitate the purchase.
7. Actively monitor and coordinate with the McKean County Department of Emergency Services to ensure appropriate funding, if and when the county's radio system is upgraded or replaced.
8. Regularly re-evaluate service delivery to residents specific to permitting and inspections. In the long-term, the city should consider moving permitting, building code inspections, and restaurant/health inspections from the fire department and consolidating with property maintenance to form a new department.

CHAPTER 5 LABOR AND EMPLOYMENT

Introduction

The reality of local governments is that the services they provide are labor-intensive. Since the entire reason for the existence of governments is to coordinate services to residents, one ought not to be surprised that employee wages, health care and benefits comprise a plurality of the General Fund budget of the city of Bradford (“city”).

The city has four unions, and the remainder of employees are administrative staff who are not affiliated with any union. They are broken down, thusly:

Table 5-1

Bradford Employee Complement

Union	Complement	Actual Number
AFSCME	8	8
IAFF	20	20
Police	19	17
Teamsters	20	20
Non-Affiliated	8	8

As noted in Chapter 2, *infra*, the city’s salary, pension and insurance costs are swallowing up the bulk of total projected expenditures at 65 to 72 percent of total expenditures. These projected expenditures are anticipated to rise by \$649,643 or 10.6 percent. Salary and wages are the largest personnel cost followed by debt service.

Table 5-2

Personnel expenditure detail

Type	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	percent
Salary & Wages	\$3,607,344	\$3,676,819	\$3,773,311	\$4,041,327	\$4,020,146	412,801	11.4
Overtime	203,506	212,199	224,548	238,864	232,602	29,096	14.3
FICA	154,955	155,485	159,276	165,848	154,497	-457	-0.3
Employee Benefits	798,876	742,272	762,100	734,965	703,963	-94,913	-11.9
Pension	999,509	1,244,560	1,470,823	1,246,933	843,235	-156,273	-15.6
Workers' Comp	422,798	347,047	357,689	210,737	272,869	-149,929	-35.5
Other Employee Exp	84,617	74,812	73,590	77,078	50,303	-34,314	-40.6
Total Employee Exp	\$6,271,605	\$6,453,194	\$6,821,337	\$6,715,750	\$6,277,616	6,011	0.1

The city will get some relief from debt service by potentially entering a bond pool arrangement in 2021. However, the continued challenge is to adopt strategies regarding labor and employment that balance the ability to attract and retain employees with a cost profile that would be sustainable in the future. What does that mean?

Although the city does not appear to be overly staffed (in fact, one might credibly make the argument that additional help is needed in some areas, depending on mission), employee expenditures paid from the General Fund, as noted elsewhere in this report, are a significant portion of the city's total general fund budget. Not surprisingly, the largest component of personnel expenditures is salaries/wages followed by employee benefits, including pension benefits and health care. Thus, it is essential for the city to control its personnel expenditures if it is to insure long-term fiscal stability.¹⁶

It means that the city needs to mount a sustained effort to slow the growth in structural costs for employees and increase the flexibility it has in seeking additional ways of using its workforce as well as outside resources.

If the city cannot control employee costs and—more importantly—align its salary and benefits spending with its staffing needs in the future, the city will have to decrease discretionary spending throughout the city's remaining GF budget which, in turn, detracts from the city's ability to invest in other important operations and programs for its citizens. Potentially, the city will have to increase taxes to generate revenue to pay for increased employee expenses.

The city must combine these cost containment efforts with a top-down focus on mandating and insuring that city employees are also employing the most productive and efficient work practices to better serve the city's taxpayers in the most efficient and effective manner possible.

Drilling down further, most collective bargaining agreements are comprised of four elements: 1) wages, 2) benefits, 3) pensions, and 4) work rules that make efficient and effective management more difficult and increase the cost of operations (*ex. minimum manning requirements; also, minimum off duty call time*). The best return on the city investment in personnel is seeking to streamline and modernize their collective bargaining agreements in all four of these dimensions. Fortunately, the current administration is focused on doing these things.

Public Safety—IAFF/Police

As noted elsewhere, the city has the second highest number of police officers in the public safety comparison of 11 similar third-class cities, although its population is third from the bottom. However, the cost of its police as reported to the state is lower than five other municipalities.

¹⁶ Rather than separately discuss each benefit provided to each different employee group or in each CBA separately, this report will focus on the compensation or benefit type in general and discuss ways to lower and control the future growth of employee remuneration costs.

Fire services vary widely in third-class cities. Bradford is among the five cities in the comparison that have a full-time, paid fire department. Three cities paid more for their full-time fire departments than Bradford. But the real divide is between cities with fully paid fire departments and those with a combination of paid and volunteer, or fully volunteer. Except for Beaver Falls, costs for combination or all volunteer departments are significantly less but that comes with a lower service level.

Salaries for police officers steadily increased during the historical period; however, health insurance costs were flat with a decrease from 2019 to 2020. The amount of capital purchases for police averaged \$44,000 at the start of the historical period but then declined to only \$21,835 in 2020. Costs for police averaged \$1.78 million annually.

The fire chief oversees fire, ambulance rescue, building and health, and planning and zoning. These categories include restaurant and building inspections, and the city's health director. Fire received a \$153,241 FEMA grant in 2018 that accounts for the increase in that year. Fire costs average \$1.67 million annually.

Ambulance costs grew from 2016 to 2020 by 30.7 percent while building and health rose by almost 6 percent.

Other public safety component is the city's Property Maintenance Department, which declined in 2020 most likely due to the pandemic impact and staff turnover. This department handles code enforcement.

Table 5-3

Public Safety Expenditures Detail, 2016 to 2020

	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	percent
Police	\$1,735,735	\$1,781,133	\$1,890,790	\$1,819,070	\$1,717,927	-17,808	-1.0
Fire	1,599,293	1,715,018	1,903,055	1,639,788	1,515,883	-83,409	-5.2
Ambulance Rescue	372,451	377,993	473,693	471,743	486,740	114,289	30.7
Building & Health	97,382	103,003	109,348	103,142	103,049	5,667	5.8
Planning & Zoning	8,003	7,452	8,262	7,740	7,346	-657	-8.2
Other Public Safety	159,864	154,464	165,710	153,915	139,852	-20,011	-12.5
Total Public Safety	\$3,972,728	\$4,139,062	\$4,550,858	\$4,195,398	\$3,970,799	-1,929	0.0

IAFF Priorities

The city's priorities with respect to the Fire Department should be to slow the growth in structural costs. To effectuate this, the city should pursue the following initiatives:

Regional Cooperation

The city should continue to explore opportunities with both the volunteer service as well as neighboring departments to allow the city to better leverage its trained fire fighting force. To the extent that non-city assets can be used on the call box sheet to cover incidents while the city is engaged elsewhere, while obviating the necessity to strike a second alarm or call in assets at a higher call-in rate, the city should incorporate those issues into the existing contractual rules.

Civilianize Inspections/Zoning and Safety

As noted, *infra*, the fire chief oversees building and health as well as planning and zoning. This includes restaurant and building inspections, and the city's health director. The city should consider outsourcing these non-fire functions to civilian, non-union employees. Alternatively, to the extent that the roles of the inspectors may not create a community of interest with the firefighters, the city might consider the filing of a unit clarification petition seeking to remove these positions from the IAFF CBA.

There are several reasons supporting this recommendation. First, incorporating building and health as well as planning and zoning into the city's economic development infrastructure promotes coordination with the development of small businesses and housing. Second, the cost of a unionized position far exceeds the value of the service if can be done with resources that do not carry with them legacy costs such as pension and health care.

Wages

Keep wages closer to historic cost-of-living data rather than by anecdotal comparisons. Over the last 10 years or so, the increase in the historic cost-of living has been 1 percent-2 percent. Net wage expenditures that exceed 2-3 percent grow faster than the cost of goods sold and, as such, are not sustained by data.

The city has acted with foresight in creating a slower path to a full career firefighter salary. See, Article IV(b). This is something that the union is seeking to overturn and that ought to be resisted strongly by the city in any future negotiations. In fact, the city should consider going further and freezing the base salary for future hires so that they do not step up the salary scale at an increasing rate.

So, for instance, the city could consider having the top step be 100 percent of the 2021 top base salary rate. If that were (solely for illustrative purposes) \$55,000, that top rate would be in place for the remaining years of the contract. When a career firefighter reached his seventh year, then he would get the general wage increase percentage on \$55,000 and not the base wage increased every year plus an additional general wage increase. Again, for illustrative purposes:

The city might also consider a cash bonus at the top of the wage scale rather than a percentage increase on base wages that continues to grow the base wage. The cash bonus, not rolled into base model, is viable way not only of spending available ARPA money but also of holding down growth in the base salary. Again, for illustrative purposes:

Increasing Base Wage by 2%	Seventh Year Base + 2%GWI	Frozen Base Wage	Seventh Year 2% GWI
\$55,000	\$56,100	\$55,000	\$56,100
\$56,100	\$57,222	\$55,000	\$56,100
\$57,222	\$58,366	\$55,000	\$56,100

In the above illustration, the employees receive the same amount as a 3 percent increase but, since half of the increase is cash, not rolled into base, the base increases at a slower rate. When amortized over a longer period, the savings is more than marginal in nature. The common thread in all these strategies is to slow the growth in the biggest cost driver in pension and wages—the base salary.

Health Care

The idea of employee cost sharing with respect to health care benefits has been opposed by many public employees, except in the world of public education, for a long time. The premise established over fifty years ago for the lack of employee health care cost sharing was that public employees received lower salaries than private sector employees and were provided cost-free health care benefits to offset this disparity.

However, that whole matrix has now changed—many public employees receive salaries that are competitive with private sector employees but still receive cost-free health care benefits. Employee health care cost sharing, however, is now an economic reality even in the public sector, and the city should consider being more aggressive in this area. While employees will argue that they have “exchanged lower wages in the public sector for better benefits,” that argument is no longer viable.

The city provides to its uniformed and non-uniformed employees generous health care benefits with certain, unaligned, cost sharing obligations based upon the employee’s department and applicable collective bargaining agreement. The city is seeking to increase the amount of contribution or lessen the number of lives covered by its insurance. These are important initiatives that we strongly support.¹⁷

We additionally support the city’s current initiative to bargain in a requirement that spouses or dependents who have coverage available to them take that coverage rather than city coverage. We also support the city’s initiative that clarifies that any individual who receives an opt-out for not taking health care benefits also be ineligible for dental and vision benefits.

Presently, the city pays for a majority of an employee’s health care costs and the employee pays 25 percent of the cost of a spouse or dependent. With the mandatory nature of spousal coverage if available through other employers, that should lessen the city’s health care buy.

We recommend that the city continue to seek contributions from the employees expressed as a percentage of premium. We would target 3-5 percent of premium and seek to increase those percentages at a rate of 1 percent a year. If necessary, those amounts could be reduced to expected dollar contributions using historic data to better anticipate costs while giving employees a set number that would allow them to know their contribution in other years.

¹⁷ This is reflected in the 11 percent reduction in benefit costs over the last five years as set forth in Table 2-9.

The city should also seek additional changes to its current prescription and copays to incentivize better health care choices from employees. We believe that the city should enforce a generic mandatory requirement for its health care plan with a step up to non-generic only if a physician requires it. We believe that employees should have to pay for non-generic drugs that are prescribed without a physician exception to the generic alternative. We recommend that the city keep the cost of generics as low as possible—including by subsidizing same—to incent the use of generic drugs instead of formulary preferred or non-formulary drugs that cost the city more and drive up the costs of prescription drugs and claims.

With respect to copays, the current emergency room cost is approximately \$100 (which is waived if the employee or dependent is admitted). The office visit copay is \$20, and the specialty physician is \$35. An employee who seeks to use the emergency room or the specialist as a virtual primary care physician costs the city more money because of the lack of familiarity with the patient and the amount of testing that must be done. We would suggest strongly that the city increase the specialist/urgent care cost to at least \$50 and the emergency room to \$150 to incent individuals to have a primary care physician. This would align the city's policy goal of reducing the cost for health care by shifting to lower cost treatment resources.

Pension

The city should consider eliminating the provision of a non-service disability pension for career firefighters. While the city must consider and/or provide a service-connected disability, the provision for a non-service disability obligates the city for injuries not occurring on the job and, should a career firefighter work elsewhere, the city would be obligated to provide a pension for a firefighter's inability to work that has no connection with their service to the city.

While one can understand the moral imperative to provide a disability pension to a career firefighter hurt while on duty for the city, the provision of the same pension for a career firefighter hurt for another employer ought to be that employer's responsibility.

Similarly, the city should consider other modifications for career firefighters whom the city has yet to hire (Pennsylvania law, at present, does not permit the amendment of benefits accrued to individuals already in the system). This would include a renegotiation of the current percentages for disability pensions, a review of setting the Social Security offset to 100 percent, an elimination of the COLA for new hires and the redefinition of pensionable salary to base salary only.

These modifications would materially affect the minimum municipal obligation in the city's favor as the denominator—those costs that the city is obligated to cover would shrink.

Leave Days

The use of leave days and compensatory time in a 24-hour schedule can mean that—taken to an extreme—a career firefighter might not work for a 30-day period by combining those categories. It is both apocryphal and true that there are some fire departments in Pennsylvania cities in which firefighters combine leave days and switching shifts or working ahead to allow multiple months off. This is a significant issue for cities and especially for cities with a smaller fire service.

This is why the IAFF's call for no restrictions or less restrictions on the use of compensatory time is so concerning as it increases the number of days away from their city employment. We view compensatory time as leave time and—since it cannot be forfeited under the Fair Labor Standards Act—it must always be paid, almost always at a rate higher than originally earned. We would propose the elimination of the use of compensatory time for all hourly employees. In the alternative, we would propose the payment of all compensatory time (which cannot be forfeited) at the end of each year so that the cost of compensatory time does not increase.

In the same vein, we caution against any expansion of leave benefits for career firefighter except in trade for some significant economic value—even then, we urge caution. The ability of employees to remain paid while out of work increases costs in all 24-hour services as a replacement must be found. Each added benefit day has a hidden cost of replacement, which is very rarely figured into the cost of the day itself. The city should strongly resist any pressure to increase the numbers of those days.

General Observations

Unlike all other services provided by the city, it is presently permissible for the IAFF to bargain over the number of firefighters on shift. The IAFF has, in recent cycles, also asked for the city to guarantee the number of apparatuses in service during the term of the CBA. That is a managerial right which the city should never bargain away.

In addition, the city should consider a staffing or efficiency study every five years to ensure that its staffing levels are not being affected by the terms or the use of the language of the CBA. Excessive time off requests, injuries, and retirements can make a manageable CBA unmanageable in short order. In other words, today's reasonable compromises can quickly become problematic from a staffing perspective.

Police Priorities

The policies for the police department are, and should be, the same as the issues for the IAFF. However, please note that there may great utility in considering the use of part time police officers, if they are available, who do not require the same level of benefit support as full-timers.

The use of part-timers is limited as they are often either the youngest officers or the oldest — in between those two poles, officers often seek a permanent full-time appointment. When available, they can cut down on overtime and allow departments to bridge temporary staffing disruptions based on the unavailability of full-time personnel.

If the city is inclined to use part-timers, we would suggest two things. First, an agreement by which part-timers pay back some or all the investment made in them (for instance, a bulletproof vest sized to them) in the first three years. So, if an officer leaves in the first year, he pays back 85 percent of the cost of equipment purchased for him; if he leaves in the second year, he repays 65 percent and if he leaves in the third year, he pays 45 percent of the cost of equipment purchased for him. In this way, there is an incentive to stay for some period. Second, that there be a clear acknowledgment that

these are part-time as needed positions and that there exists no expectation of continued employment.

AFSCME and TEAMSTERS

Public Works

Employees in this unit are responsible for the most public facing of the city's operations. These employees handle parks, roadways and sewers that are the most visible issues if those matters are not attended to with promptitude. As such, their services are an important part of the services that constituents value as they are so easy to observe empirically.

As noted previously, wages in refuse collection fell while salaries in highway maintenance increased during the historical review period, accounting for at least some of the change between 2016 and 2020. Refuse collection includes landfill tipping fees, which varied from a low of \$178,703 to a high of \$184,365, and the annual lease for the garbage packer.

Employees previously recorded under storm sewers were moved to highway maintenance during the historical review period, which account for the increase in highway maintenance and decrease in storm sewers.

Table 5-4

Public Works Expenditures Detail, 2016 to 2020

	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	%
Refuse Collection	\$911,525	\$911,534	\$990,324	\$862,926	\$815,622	-95,903	-10.5
Highway Maintenance	392,923	569,454	742,267	742,892	697,573	304,651	77.5
Storm Sewers	403,680	211,837	36,343	20,000	20,000	-383,680	-95.0
Electric System	159,318	153,994	175,942	179,691	154,475	-4,843	-3.0
Parking Facilities	14,059	13,728	14,649	15,342	12,546	-1,512	-10.8
Total Public Works	\$1,881,505	\$1,860,546	\$1,959,525	\$1,820,851	\$1,700,216	-181,289	-9.6

Parks and Recreation

Employee expenditures for parks and recreation typically include payment for three police officers who provide security at city recreation facilities in addition to regular patrol duties. Cost for security ranged from a low of \$135,825 in 2018 to a high of \$219,596 in 2020. The city has an indoor ice-skating facility in addition to other park and recreation amenities.

Table 5-5*Parks and Recreation Expenditures Detail, 2016 to 2020*

	2016	2017	2018	2019	2020	Change 2016 - 2020	
	Actual	Actual	Actual	Actual	Actual	\$	%
Parks & Recreation							
Employee Exp	\$496,171	\$441,260	\$419,143	\$520,664	\$431,328	-64,842	-13.1
Services	\$1,960	\$2,732	\$2,822	\$2,137	\$1,692	-268	-13.7
Supplies	\$13,168	\$11,426	\$12,970	\$12,630	\$1,232	-11,936	-90.6
Utilities	\$60,512	\$64,940	\$61,551	\$62,919	\$45,054	-15,458	-25.5
Maintenance	\$28,978	\$26,310	\$24,570	\$32,549	\$23,337	-5,641	-19.5
Gas/Oil/Fuel	\$2,504	\$3,560	\$2,730	\$2,996	\$1,186	-1,318	-52.6
Capital	\$0	\$0	\$0	\$3,600	\$5,490	5,490	100.0
Total Parks & Recreation	\$603,293	\$550,229	\$523,787	\$637,494	\$509,320	-\$93,973	-\$715

Table 5-6*Parks and Recreation Security Expenditure Detail, 2016 to 2020*

	2016	2017	2018	2019	2020
Salaries-Park Security	140,861	135,330	111,117	178,751	182,915
Health Benefit	17,247	14,071	13,690	24,384	27,559
Vision Benefit	180	196	146	237	261
Life Insurance	323	350	323	323	225
Dental	-337	-440	-480	-720	-744
FICA/Medicare Expense	2,035	1,953	1,602	2,530	2,573
Workers Compensation	18,886	14,870	9,427	12,009	6,808
Total	\$179,195	\$166,330	\$135,825	\$217,515	\$219,596

Recent Negotiations

In the most recent set of negotiations, the city sought to:

- Reduce base pay for employees hired on or after January 1, 2022, to 10 percent less than those hired on or before January 1, 2021.
- For new personnel in the Department hired on or after January 1, 2021, reduce starting pay to 80 percent of base wage, after 12 months 87.5 percent, after 24 months 94.5 percent after 36 months
- Reduce longevity to \$65.00 per year with a maximum of \$1,300.00
- Change on call time from 125/week to 17.86 /day
- Include in the contract incentives for employees to retain their CDL licenses in the form of agreed to sanctions should they lose to ability to drive.
- If a member's spouse or adult dependent(s) are employed and eligible medical coverage from his/her employer, they must elect coverage through his/her employer.

The employed eligible spouse will not be eligible for coverage under the city's health plan. Proof of insurance will be required. Employee and his/her dependent children may be placed on and remain on the city's plan.

- If a member is receiving opt-out pay the employee, spouse nor any dependents will not be eligible for Dental or Vision through the city.
- Introduce new wording: Each member will be eligible for 10 sick days per year, each employee will receive an additional 11 days per year that will go into the employees Sick Bank. In the event the employee is off for more than 10 continuous working days due to illness or injury the employee may then use their bank of sick time.
- Remove buy back of sick leave in the event of a layoff.
- Change pension to be based on salary not earnings.

These are the right policy provisions to pursue and are in line with our recommendation with the public safety service component.

General Labor Recommendations

Develop an Overall Cost Containment Strategy

As previously described, the overall state of the city's employee compensation and benefits is very generous relative the city's current fiscal status. The city thus must take a step back to develop a cost containment strategy for its future labor expenses as part of a multi-year forward looking fiscal plan. The strategy must be strictly followed and applied in all future collective bargaining negotiations with all employee groups. The city should avoid future retirement incentives and popular "cost reduction" schemes that end up providing costly benefits to city employees at the expense of the city's taxpayers.

The cost containment strategy should focus on all forms of employee compensation and remuneration to reduce the city's total personnel costs. This means that until a cost containment strategy has been implemented, and the city has reaped tangible cost reduction benefits any expansion of current employee benefits, especially in the areas of employee health care, pension and other OPEBs, should be avoided.

The city's non-unionized employees will probably be the first to feel the impact of a cost containment strategy, but the application of the strategy must be fair and consistent among all of the city's employee groups, including all members of the city's collective bargaining units. In planning and executing a cost containment strategy, the city should utilize legal, financial, or other specialized experts to plan and implement a long-term strategy so that the current level of public services provided to the city's citizens can at least be maintained going forward.

While unions and employee groups may claim that this recommendation is anti-employee, the opposite is true. No matter how much employee groups might want to ignore reality, the fact is that the city cannot continue its current fiscal path without jeopardizing the current services it provides to the city's residents. Redesigning city employees' compensation and their overall remuneration

package is a critical part of ensuring that the city maintains its current service provisions to city residents. If the city does not develop an overall forward-looking cost containment strategy, its employees and the city's residents may face a far harsher reality in the coming years.

CBA Term

Until the city has a stable fiscal outlook, and until it has in place effective cost containment controls, new collective bargaining agreements should be kept to the shortest possible term. Such a strategy will provide the city with the flexibility to contain costs on an ongoing basis and avoid a reduction in services. In the past, the city has entered into lengthy collective bargaining agreements—to-wit, the current police CBA that spans five years. Such long-term commitments might be avoided to take advantage of market conditions, depending on the terms of the agreement.

Negotiating a CBA is time consuming work (if it is done properly) due to the need to protect the interests of the taxpayers; however, the time, effort, and expense of negotiating a helpful CBA is part of the cost of doing the public's business. Further, the time and expense of such negotiations pale in comparison to the compounding impact of unfavorable CBA provisions.

On the other hand, the city adopts a budget every single year because that permits the city to adjust and change its spending priorities based on unpredictable factors that remain in flux. It is necessary to reset priorities to address unanticipated budget realities. This is also true from a labor cost perspective since changes in staffing, mission, and cost (as well as ever fluid benefit and pay issues encompassed within the CBAs' language) have a direct impact on a large portion of the city's costs. Shorter terms provide the city repeated opportunities to make changes that will be to the city's benefit.

It has often been pointed out that a longer-term locks in costs. We have found the opposite is true. Long term CBA commitments do not provide flexibility, and the lack of flexibility can spell trouble for the city as well as employees. Negotiating long term CBAs to avoid demanding negotiations work is not the answer. Proper planning and execution of a cohesive negotiating strategy is the answer.

Benefits Audit

The city should continue to conduct benefit audits to determine the benefits provided to each bargaining unit and the cost of such benefits. The audit should include a breakdown of all compensation including:

1. Health care plans and the cost thereof;
2. Other insurance plans provided and the cost thereof;
3. Insuring only eligible employees are covered by all insurance plans provided by the city;
4. Pension benefits;
5. Paid time off provided to each employee group;
6. Verify procedures are in place in all city departments to accurately account for accrued unused leave time as well as used time off;

7. Employee classification audit to ensure compliance with the FLSA;
8. Verify procedures in place in all departments to ensure work time is properly and accurately recorded.

The city can utilize the gathered information to ensure that its benefits are being properly applied and to explore options from other providers that may provide similar benefits in a less expensive manner or structure. The following explains the benefits audit with respect to some of the more common and costly benefits provided by the city:

Health Care Options. The city must explore reducing its health care costs through a combination of employee cost sharing and plan restructuring, as previously noted. Employee cost sharing is a reality in today's workplace for all employees, uniformed and non-uniformed. Plan redesign, which includes increased deductibles and co-pays which are paid in large part by the employee, is the best option to lower costs in today's health care market. While the city has employee health care cost sharing, more of the city's health care cost burden should be shared by the city's employees lessening the burden on the city's taxpayers and leading to better healthcare choices by involved employees.

The city should also negotiate new language in each CBA to allow it to implement less expensive benefit plans with comparable benefits without bargaining. If the cost sharing options noted above are achieved, implementing less expensive but comparable health benefits should be welcomed by employees. For example, if the city can achieve savings by substituting less expensive plans with comparable coverage for existing plans, employee cost sharing obligations will also be reduced. This is a "win-win" scenario.

Consideration should also be given to providing a new array of benefit choices and cost sharing options to allow employees to select a less expensive health care plan with lower cost sharing obligations or more expensive plans with higher cost sharing. Multiple benefit options (if possible) would allow the city to provide several plans with different plan designs from which the employees can choose depending upon their needs and cost sharing preferences while also achieving the goal of reducing health care costs.

Further, the city should consider a defined contribution approach to health care. Through this option, the city provides a sum certain or stipend to employees to purchase the health benefits offered by the city. To be effective, the stipend should be the maximum that the city will pay for health benefits for each employee, regardless of the plan chosen by the employee¹⁸.

Health Care Eligibility Audits. Eligibility coordination rules for employees who have access to health care elsewhere should be developed for all employees and retirees. Periodic eligibility audits should be conducted. The CBAs already have the basis from which such audits can be launched for retirees. It should be expanded to current employees as well. Each year, the city should send each retiree a questionnaire and a cover letter requiring the

¹⁸ When changing from any group plan provided by any union, the city must first examine if there is any form of withdrawal liability to which the city would be subjected based on the Plan documents and applicable law.

retiree to affirm that he or she does not have access to other health care benefits that would disqualify him or her from city-provided healthcare benefits under the CBA.

Suggested Revisions to CBA Language

Both the uniformed and non-uniformed CBAs have language which deserve attention and revision as they cost the city money or are illegal. Here are some examples:

Fair Share Language. Any contracts which include language which provides, among other things, for deduction of fair share fees which have been made illegal by *Janus v. AFSCME*, 585 U.S. ____; 138 S. Ct. 2448; 201 L. Ed. 2d 924 (2018). Those provisions (*see, c.f.*, Article 2, Section 2.5 in the non-uniform CBA and Section 3.3 of the uniformed contract). This language should be negotiated out of any CBA and there should be no collection of fair share fees.

Managerial Rights. Both the non-uniform and the uniform contracts should contain more robust managerial rights language which reserves to the city the right to undertake certain actions including, but not limited to, subcontract work when necessary. *See, c.f.*, Article 2 of the IAFF contract.

Hours of Work. Any limitation on the ability of the city to reschedule shifts, employees, officers, and duties should be revised or eliminated. While there can be some additional pay for those employees whose hours are shifted within a short period, the city must have the right to schedule resources on different schedules which include a Tuesday through Saturday schedule or different shifts when the work required by the city compels such a shift.

Payment for Holiday Work. Individuals who work on holidays are paid either an aggregate amount of time and one half plus leave time. This is not required by the FLSA or any other law. While it is understandably difficult to be scheduled or called out on a holiday, this excessive pay rate seems counterintuitive to the city's interests. This rate does not even kick in if the employee is scheduled to work for more than one holiday which might be more understandable.

Payment for Accumulated, but Unused, Leave Time. The labor contracts contemplate the sale back of accumulated, but unused, sick and vacation time on separation with no adjustment for the means of separation. That means that, even if an employee is terminated for misconduct, the employee is entitled to payment of accumulated, but unused leave time. That payment—if made—should be made only if an employee reaches superannuation retirement.

For all employees and for all contracts, the practice of paying for accumulated, but unused leave time in all categories should end for new hires. Further, we recommend that employees not be allowed a run out of the time that they cannot redeem so that the limit on recovery is exceeded by practice.

Selection and Promotion. Where contracts require promotion and layoff by seniority. It is possible, however, that the most senior employee is not the best fit for promotion nor the

best potential supervisor. We recommend that seniority as the sole basis for promotion and layoff be discarded for a system that favors experience and qualifications with seniority as the tie breaker if candidates are equal in experience and qualifications.

Minimum Manning. There are certain proposals that suggest that the city agree to a mandate a minimum complement of employees on various shifts. While there are some instances in which the city does not have to replace an officer who is unable to work, the provision is, in essence, a minimum manning clause. Pennsylvania courts have stricken these mandatory minimum manning clauses as an illegal intrusion into a city's non-delegable managerial rights. To be clear, while we understand it is good thing to have multiple officers on a shift, a binding contractual obligation is something which we cannot recommend continuing.

General Observations. A significant challenge in the public sector is aligning policy with resources. Often, managerial training and development suffers in this equation. When forced to choose between concrete development proposals and the cost of training whose payoff is less measurable, training is sacrificed, understandably.

However, the ability to communicate policy realities, motivate employees, translate municipal priorities, and stay within budget comes with understanding of the foregoing issues and a vision to manage them towards a definable goal. In the private sector in which there are metrics which define profit and loss, that can be much easier than in the public sector.

Policies are enforced and goals are reached through the collective action of individuals. That rarely happens by accident. The challenge, as we see it, is to create a sustainable structure in which employees can have clarity of purpose and an understanding of those market forces which make managing resources for employees occasionally daunting.

It is well to understand, as we have tried to explain here, the factors on which one should be focusing to constrain costs. We have found that earmarking time, space, and money towards meaningful managerial training for all supervisors can—if consistently engaged in—pay dividends. We would recommend consideration of that type of training to come to a consensus about how to continue to build a stronger and sustainable foundation for all employees which, in turn, will benefit all residents.

Chapter 6 Observations and Recommendations

Introduction

The city of Bradford is the urban hub of rural McKean County, providing robust services, including full-time public safety, that benefit the entire region. The city faces challenges as its tax base continues to shrink and approximately one-third of properties are tax exempt.

Bradford has wealth measurements (income and housing) below the county and significantly below the state average. The 2020 Census indicated a loss of almost 1,000 people since 2010. The city experienced several deficits during the historical review period and projections indicate growing, annual deficits are likely by 2023. Like many urban third-class cities in Pennsylvania, its lower income residents are in effect subsidizing the services of less densely populated neighboring municipalities, particularly through police mutual aid.

The city has taken steps to strengthen its finances by entering a pension bond pool that is anticipated to reduce pension expenditures going forward. Reducing future pensions payments is critical to ensuring the city's future sustainability, but it is still not enough. Since personnel is one of the city's largest expenditures, Bradford should first seek future cost containment through a collective bargaining strategy that considers the total costs of wages, benefits, pension and work rules as outlined in the labor recommendations below and in Chapter 5.

Bradford has several additional recommendations to consider that could strengthen its financial position. Those options include asset monetization, regionalization and tax flexibility.

The Bradford Sanitary Authority, which provides city sewer and stormwater services, and the Bradford City Water Authority, which provides regional water and owns three reservoirs, a 12,000-acre watershed and a water treatment plant, both have considerable system assets that could be considered for city monetization as appropriate. Monetization can take many forms; it does not have to involve a sale to a private entity. More information on monetization is provided in the recommendation section below.

As noted previously, the substantial services provided by the city are a benefit to the entire region. Police routinely are dispatched to neighboring municipalities under mutual aid for which the city receives no compensation. Ambulance services are also provided, although there are current agreements with neighboring municipalities for ambulance services that provide some revenue. The city also has extensive parks and recreation assets that are used by the surrounding area including a swimming pool and ice rink.

The city should seek greater regionalization that would allow it to capture additional revenue, such as contracting police services; exploring fee-for-service potentials; or spreading costs, through arrangements like shared purchases. In the long term, consolidation or merger with a neighboring municipality could potentially strengthen the financial stability of the city and the region.

The inadequacy of Pennsylvania's local government tax structure is particularly felt by third-class cities, which are densely populated regional hubs and thus require a significant amount of costly

services for residents and nonresidents alike. Bradford is a case where property values – both market and assessed – are flat so that the city receives little to no natural revenue growth from property taxes to pay for increasing expenditures. Meanwhile, Bradford is unable to raise more productive Act 511 taxes like earned income and local services because they are capped by state municipal codes.

There are several ways that the city could seek greater tax flexibility. One is home rule, a complex process that is currently available to the city. Home rule would allow Bradford to raise earned income and other tax rates as opposed to only relying on property tax rate increases if additional revenue is required. Still, home rule would only tap into the wealth of the city's shrinking tax base.

The city provides robust services compared to its neighbors as a regional hub, but its taxation authority for nonresidents is mostly limited to the \$52 local services tax. Act 47 for distressed municipalities and Act 205 for distressed municipal pensions are two mechanisms that would provide additional taxing authority for nonresidents (and residents). Act 47 also offers a more modern business tax, the payroll tax, in return for eliminating the outdated business privilege and mercantile taxes.

Act 47 and Act 205 require the city to meet specific distress conditions outlined by state law that might not be present at this time. Both also require state approval.

A major bright spot for the city is the Office of Economic and Community Development, which runs a strong program that has greatly improved downtown and city neighborhoods by leveraging private and public funds. OECD programs have contributed to the city's efforts to control blight, increase residential and commercial development, and grow the tax base. OECD has accomplished much of these tasks by leveraging a wide array of public and private funds as opposed to city general fund dollars, including establishment of an extensive rental operation.

While its work is generally commendable, OECD has kept its financial management separate from the city. A primary recommendation would be to continue with the current activities but integrate financial operations with the city to promote accountability, ensure greater interaction with city operations and provide a higher level of transparency.

In the longer term, the city should consider a departmental reorganization that would place all of codes, zoning, planning, health inspections and related operations in one department. Currently, those functions are divided among different departments, a situation that can cause confusion for residents and businesses. This suggested realignment involves collective bargaining issues. Short term, the city should ensure that communication and working relationships are strong between the departments.

Other recommendations for this report touch on information technology, human resources, financial management, staffing, capital planning, best practices and more. There are also recommendations for additional studies in specific areas to improve operations, quality of life and the tax base in areas ranging from parking to recreation.

The Pennsylvania Economy League advises the city to consider implementing the recommended initiatives as outlined in the remainder of this chapter. Recommendations and target dates for initiatives are categorized by immediate, short term (one to two years) and long term (two years or more). Budget impact refers to the General Fund unless otherwise noted.

While various initiatives have already been highlighted, **PEL encourages the city to seek Strategic Management Planning Program Phase II funding for any initiatives as appropriate.** Certain initiatives will require funding that might be obtained through STMP Phase II or other state grants and programs.

Finance

FIN 01 Plan for use of ARPA Funds	
Target Date	Immediate
Responsible Party	City Manager/City Council
Budget Impact	Potential revenue to defray pandemic impacts

The city should plan for use of its \$859,334 ARPA allocation by using the final U.S. Treasury rules. Use of ARPA funds should be charted in the DCED chart of accounts 352.53 Federal Entitlement. The city should first reimburse itself for any revenue losses or expenditure increases that it experienced during the pandemic. The Government Finance Officers Association (GFOA) has a worksheet for members that assists in calculating lost revenue. Otherwise, the city should use ARPA funds only when other funding sources are not available and in consultation with residents and community partners.

FIN 02 Consider monetization	
Target Date	Immediate
Responsible Party	City Manager
Budget Impact	Potential STMP Phase II match

In Pennsylvania, the long-term fiscal sustainability for any municipality depends on the expansion and growth of its tax base above the annual growth of its expenses. Bradford is projected to have limited growth in its taxable property tax base and based on demographics, limited growth in its resident earned income tax base. Without sufficient growth in its tax base a municipality is confronted with the choice of increasing its tax rates and/or reducing public services. The primary source for increasing revenue for the city of Bradford is increasing property tax rates, an option that is both undesirable as a sole source and detrimental to increased economic development.

The city is fortunate in that it has maintained public stewardship and public accountability of both its sewer and water utilities that have benefited both the city’s operations as well as the providing residents with lower cost drinking water and wastewater treatment. The city has maintained a goal of public control of such utilities to keep user rates lower so that residents benefit from public ownership and to provide some supposed relief offsetting property tax levies. Public policy considerations favor continued public control to keep rates lower; regional public ownership can help spread costs of operation, maintenance and capital across a larger rate base enabling residents to benefit from continued public ownership.

However, continued public ownership of municipal utilities in an era of increasing regulatory requirements and inevitable capital depreciation and replacement can undermine the public policy advantage of public ownership. A thorough examination of the water and sewer systems' long-term capital needs and future regulatory demand by city officials will project future capital expenses, the cost of regulatory compliance and ultimately user rates to determine affordability under continued public ownership.

Based on the results of such a study, the city should consider the competing public policy goals of minimizing utility rates versus increasing tax rates. An examination of ways to capture the inherent value of that infrastructure can be an effective source of revenue that is not property tax dependent. The goal of any alternative ownership or management structure will be to reduce or at least limit the need to raise property taxes because the city can achieve a return on its investments in infrastructure.

A study of the various alternatives through STMP Phase II can provide city leadership with options that may ameliorate the projected deficits and reduce the pressure on property taxes. A preference for continued public ownership could be the initial approach as opposed to an exclusive approach of sale to an investor-owned utility.

FIN 03		Continue to lower the assumed rate of return on pension
Target Date	Immediate	
Responsible Party	City Manager	
Budget Impact	Improved financial management	

Bradford has been reducing the assumed rate of return on its pension assets since at least 2017 when the assumed rate was lowered from 7.5 percent to 7.35 percent. The city intends to lower the assumed rate again in 2022 to 7 percent. Lowering the assumed rate of return is a best practice that the city should continue as it is able.

FIN 04		Transfer to modified accrual basis of accounting for the general fund; ensure proper use of fund accounting
Target Date	Short Term	
Responsible Party	City Manager	
Budget Impact	Improved financial management	

The city currently maintains its accounting records on the cash basis of accounting. As a result, certain assets and their related revenues as well as certain liabilities and their related expenses are not recorded in its financial statements, which can result in an unclear picture of the municipality's financial position. Cash basis differs from generally accepted accounting principles (GAAP) basis of accounting, which for governmental units is the modified accrual basis of accounting and for proprietary and fiduciary funds the full accrual basis of accounting.

FIN 05		Considering adopting a General Fund balance policy.
Target Date	Short Term	
Responsible Party	City Manager	
Budget Impact	Improved fiscal management	

The city should consider adopting a fund balance policy. Fund balance policies can help a municipality meet several stated goals including but not limited to meeting seasonal cash flow

requirements and securing investment-grade credit ratings. Fund balance policies typically identify appropriate minimum (and maximum) fund balance levels for a given fund, how the balance may be used (including limits on its use to balance a budget, or assignment to fulfill local grant matches), how to replenish fund balance when used, and how excess fund balance can be allocated when available. The city should establish a goal of maintaining a fund balance as a certain percentage of operating revenue. At a minimum this should be the equivalent of two months of expenditures.

FIN 06	Eliminate or reduce recreation millage; budget police officers in police budget
Target Date	Short Term (2023 budget)
Responsible Party	City Manager
Budget Impact	Improved financial management

The city levies a special purpose millage for recreation of 4.65 mills along with general purpose millage of 9.81 mills. Special purpose millage limits the uses of that revenue to the specific purpose, in this case recreation. The recreation budget includes several officers listed as parks security that are city police officers who would be more appropriately budgeted in the police department. The city should eliminate the special purpose millage and add that amount to the general-purpose millage. The city would then be able to use that revenue for any general fund purpose instead of limiting it to recreation. The city’s general purpose millage cap is 30 mills so there is plenty of room to add the millage without exceeding the cap.

FIN 07	Review parcels to ensure non-profit, tax-exempt status; consider PILOTS
Target Date	Short Term
Responsible Party	City Manager
Budget Impact	Potential revenue

Approximately one-third of Bradford’s tax base is considered tax exempt under the provision of state tax law. The city should work with the county to review parcels owned by nonprofit corporations and ensure that the uses of these properties conform to a not-for-profit use. Parcels with demonstrated profit making uses should be returned to the tax rolls.

In addition to the review, the city should consider approaching large non-profit entities about a potential Payment in Liew of Taxes (PILOT). Non-profits are more amenable to PILOTS when they see their money going to a specific use, such as the purchase of police cars.

FIN 08	Consider a more robust parks and recreation program
Target Date	Short Term
Responsible Party	City Manager; City Council
Budget Impact	Potential revenue; improved tax base

The city has a recreation millage and facilities like a pool and ice rink but does not have a true parks and recreation program. Recreation employees currently focus on maintenance and security. Creating a true recreation program with a qualified parks and recreation director could attract residents to the city and potentially provide revenue for high-maintenance assets like the pool.

FIN 09		Review parks and recreation user fees
Target Date	Short Term	
Responsible Party	City Manager	
Budget Impact	Potential revenue	

User fees at a minimum should cover the cost of the service. Such fees should be periodically reviewed to ensure that the amount is still appropriate.

FIN 10		Review parking system and fees
Target Date	Short Term	
Responsible Party	City manager	
Budget Impact	Potential STMP Phase II match	

The city of Bradford charges 25 cents per hour for parking, which is very low. The city should consider increasing the amount as well as reviewing city parking in general to ensure that the current parking system meets the city needs. Parking could be reviewed through a STMP Phase II study.

FIN 11		Update codification
Target Date	Short Term	
Responsible Party	City manager	
Budget Impact	Potential STMP Phase II match	

The city's electronic codification requires an update. The city should consider a STMP Phase II grant for this project.

FIN 12		Consider using an intern from the Local Government Academy
Target Date	Short Term	
Responsible Party	City Manager	
Budget Impact	Increase capacity	

Communities in the western portion of the state that are in the STMP program may be eligible to obtain a student intern for a specific project from the Allegheny County-based Local Government Academy, such as the non-profit review or digitizing records.

The LGA works with the University of Pittsburgh, among other universities, which has a branch in Bradford. For more information and to see sample municipal projects, go to:

<https://localgovernmentacademy.org/mip/students/>.

FIN 13		Take advantage of training opportunities
Target Date	Short Term	
Responsible Party	City Manager	
Budget Impact	N/A	

The Pennsylvania Municipal League offers numerous training opportunities on best practices. Training has included a 20-week, webinar-based training in the areas of Communications, Finance, Labor Relations, Planning and Technology. The course fee is reimbursed upon completion for municipalities that undergo an STMP study. Information is available here: www.pamatc.org.

FIN 14	Explore home rule; consider distress Act 47 and Act 205 programs as applicable
Target Date	Long Term
Responsible Party	City Manager; City Council
Budget Impact	Tax flexibility

Home rule charter municipalities are not subject to the limits on the rates of real estate millage, earned income and real estate transfer taxes that exist in state municipal codes, although the charter can limit the increase of total tax revenue year over year.

As a home rule municipality, the city could take a more balanced approach to taxes by using a mixture of increases on the three tax levies so that no one tax paying group is impacted disproportionately. For example, retired individuals might pay property tax but do not pay earned income tax. Wage earners pay the earned income tax and might also pay property tax. Commercial and business entities are more likely affected by property tax and real estate transfer tax increases since their property values and transactions tend to be on a larger scale and they are not subject to the earned income tax.

Home rule is a complex process that involves multiple votes by residents and the governing body, including the election of a home rule charter study commission. Information on home rule and the home rule process is available from the state Department of Community and Economic Development’s [Home Rule in Pennsylvania](#) manual. The manual is available for download at www.dced.pa.gov/library under Local Government//Handbooks and Guides//Local Government Administration.

The city should also consider Act 205 and Act 47 distress programs as necessary. These programs require specific criteria that the city might not meet at this time, as well as state approval. Information on Act 47 can be found here: <https://dced.pa.gov/local-government/act-47-financial-distress/>.

FIN 15	Pursue shared services, regionalization and/or merger or consolidation with one or more neighboring communities
Target Date	Long Term
Responsible Party	City Manager; appropriate department heads; City Council
Budget Impact	Potential cost control and/or revenue; improved tax base

Merger and consolidation are admittedly difficult processes but could reap rewards in terms of a broader, more stabilized tax base for the resulting municipality that could allow for continuation of the robust services that the city now provides.

In the meantime, the city should pursue shared services and regionalization opportunities such as shared equipment purchases, fee-for-service options, contracting services and similar initiatives to reduce costs and set the groundwork for a potential future merger or consolidation. Consider a compatible partner for consolidation or merger that would provide land to expand the city’s tax base.

Information on the merger/consolidation process is available in DCED’s Boundary Change Procedures manual. The manual is available for download here: <https://dced.pa.gov/download/boundary-change-procedures/>

FIN 16		Consider a real estate tax increase in the projection period.
Target Date:	Long Term	
Responsible Party:	City Manager/City Council	
Budget Impact:	Revenue source	

While prudent budget management can mitigate some of the baseline projected deficits, the city will have difficulty maintaining services at current levels absent material revenue growth. And absent notable real estate developments, the city's sole source of revenue growth in the near term will unfortunately come from increases in property tax millage rates.

Administration

ADMIN 01		Seek funding to digitize records and review IT infrastructure
Target Date	Immediate	
Responsible Party	City Manager	
Budget Impact	Potential STMP Phase II match	

Electronically storing records, in some cases, allows for the disposition of records, per the Pennsylvania Historical and Museum Commission (PHMC) Records Retention Policy. Phase II STMP funding should be considered to facilitate the project.

ADMIN 02		Ensure that all planning documents are updated, to including comprehensive plan, sub-division and land development ordinance, and the zoning code
Target Date	Short Term	
Responsible Party	City Manager; OECD Executive Director; appropriate department heads	
Budget Impact	Potential STMP Phase II match	

The comprehensive plan is critically important, identifying community priorities in areas such as economic development, transportation, housing, recreation, public services, etc. STMP Phase II funding can be sought to facilitate planning efforts.

ADMIN 03		Consider drafting and adopting an Accounting Policies and Procedures Manual.
Target Date	Short Term	
Responsible Party	City Manager	
Budget Impact	Potential STMP Phase II match	

Policies that should be considered including finance calendar, general cash receipts policy, credit card/fuel card policy, capitalization policy, balanced budget policy, fund balance policy, investment policy, debt management policy, and a contribution policy. A written Accounting Policies and Procedures Policy Manual ensures appropriate checks and balances are incorporated into daily financial activities. The manual should detail the annual financial/business cycle in areas such as reports due to the state, timing of audits, tax filings, etc. A written manual also ensures continuity of operations in the event the city loses key personnel.

ADMIN 04		Consider a website re-design
Target Date	Short Term	
Responsible Party	City Manager	
Budget Impact	Potential STMP Phase II match	

Phase II STMP funds should be considered for a website re-design with the goal of increased transparency and active communication with city constituencies. An active social media presence should be considered.

ADMIN 05	Conduct an annual review of the Employee Policy and Procedure Manual
Target Date	Short Term
Responsible Party	City Manager
Budget Impact	Potential STMP Phase II match

The city should conduct an annual review of the Employee Policy and Procedure Manual to confirm continued compliance with applicable employment law and consistency with actual operational practices. Training in policy areas that are more apt to create risk for the city should be considered, i.e., equal employment opportunity, sexual harassment, and diversity and inclusion.

ADMIN 06	Consider updating the policy on employee performance reviews, providing the necessary forms and training to all supervisory personnel
Target Date	Long Term
Responsible Party	City Manager
Budget Impact	Potential STMP Phase II match

Phase II STMP funding can be considered for the development of an updated performance review process, training for employees in supervisory positions, and for the development of career development plans for all positions.

Office of Economic and Community Development

OECD 01	Formalize OECD as a city department
Target Date	Immediate
Responsible Party	City Manager; OECD Executive Director; City Council
Budget Impact	Improved financial management

Formalize OECD as a city department under Section 3-4 Administrative Departments in the Bradford City Code. The current city administrator and OECD executive director are working well together and are transitioning the relationship to a more customary departmental relationship, with increased collaboration. OECD has a long history of productivity and positive contributions to the community.

OECD 02	Continue with current economic development activities
Target Date	Immediate
Responsible Party	OECD Executive Director
Budget Impact	N/A

OECD has an extremely robust economic and community development program. The department should continue with these activities, making use of state grant and loan programs as needed, including STMP Phase II grants.

OECD 03	Consider eliminating the carpenter positions and outsourcing housing renovation and construction projects
Target Date	Immediate
Responsible Party	OECD Executive Director
Budget Impact	Expenditure reduction

Eliminating these positions and using a contractor could potentially save OECD money that could be used towards other activities.

Public Works and Parks and Recreation

PW 01		Consider drafting a health and safety manual
Target Date	Short Term	
Responsible Party	Public Works Director	
Budget Impact	Potential STMP Phase II match	

This manual should address policies and procedures specific to safety in the workplace and should include best management practices specific to operation of equipment, safety clothing, personal protective equipment (PPE), and training.

PW 02		Develop a Capital Improvement Plan for equipment and infrastructure
Target Date	Short Term	
Responsible Party	Public Works Director	
Budget Impact	Potential STMP Phase II match	

Conduct a city-wide inventory to assess the most current and critical repair and replacement needs for equipment, buildings and infrastructure and establish a multi-year (at least five years) capital improvement plan CIP to address these needs.

To best address the city’s capital needs within the constraints of limited resources, the city should set clear criteria for prioritizing and selecting capital investments that:

- Protect the health and safety of the public and employees.
- Advance the implementation of the city’s long-term goals and objectives.
- Invest in core infrastructure and equipment needs.
- Show the impact of capital investments on the operating budget.

The CIP process should precede the city’s normal budget process and be completed by September so that CIP recommendations are integrated into the operating budget. The annual CIP document should include, but not be limited to:

- A narrative that details CIP project priorities for the upcoming budget year.
- A description of the CIP development process that the manager and staff conducted during the year and how the CIP projects were selected.
- A summary of the CIP by project type and department.
- Individual descriptions of each project included in the CIP for the upcoming budget year. The description of each project should include the project’s location, project summary, estimated cost, estimated completion date and the project’s estimated operational cost and/or savings.
- Funding source(s) and/or capital borrowings.
- Impact of capital improvements on operating budget.

The creation of an annual CIP document will allow the city to prioritize its capital projects within the framework of limited resources and in alignment with its goals and objectives. Additionally, it will give elected officials and the public an opportunity to comment on the projects.

Development of a sustainable CIP must begin with an assessment of existing capital assets. PennDOT’s Local Technical Assistance Program can provide resources to assist with the

PW 03		Review the refuse fee
Target Date	Short Term	
Responsible Party	City Manager; Public Works Director	
Budget Impact	N/A	

Ensure that the refuse and recycling fee is supporting the program’s expenditures including salary, health and welfare benefits, vehicles, tipping fees, and future capital replacement of equipment.

PW 04		Pursue grants for park improvements
Target Date	Short Term	
Responsible Party	City Manager; OECD Executive Director	
Budget Impact	Potential grant match	

Consider pursuing available grant funding for park improvements through the Department of Conservation and Natural Resources (DCNR) in addition to STMP Phase II. This can be accomplished with in-house staff or using third-party grant writing consultants.

<https://www.dcnr.pa.gov/Communities/Grants/Pages/default.aspx>

PW 05		Conduct a parks, trails, and recreation study
Target Date	Short Term	
Responsible Party	City Manager	
Budget Impact	Potential STMP Phase II match	

Consider conducting a parks, trails, and recreation study as part of a municipal comprehensive plan update. This study will help identify and focus community and organizational goals in the areas of parks, trails, and recreation and potentially provide a base starting point in the grant acquisition process.

Police

Police 01		Live Scan machine agreements
Target Date	Immediate	
Responsible Party	Police Chief	
Budget Impact	N/A	

Ensure that agreements are in place with participating outside agencies utilizing the Live Scan machine. Outside agencies that use the equipment include Bradford Township, Foster Township, Eldred Borough, the University of Pittsburgh at Bradford, and the Pennsylvania Game Commission. The agreements should address charges for service, waivers, releases, and indemnification, as appropriate.

Police 02		Replace Visual Alert server
Target Date	Short Term	
Responsible Party	Police Chief	
Budget Impact	Potential STMP Phase II match	

Replace the onsite Visual Alert server as soon as possible. Visual Alert is operated using an onsite server that dates to 2017. The useful life of a server is approximately five years, meaning the current server represents an operational risk. The city should seek Phase II STMP grant funding to facilitate replacement.

Police 03		Review the policy manual
Target Date	Short Term	
Responsible Party	Police Chief	
Budget Impact	N/A	

The policy manual should be reviewed on an ongoing basis for compliance with all applicable laws, changes in law enforcement best practices, and consistency with police department operations. Review and amendment of the police department policy manual should be a high priority. Special attention should be given to policies such as, but not necessarily limited to, use of force, motor vehicle pursuits, officer involved shootings, and domestic violence.

Police 04		Fill vacant positions
Target Date	Short Term	
Responsible Party	Police Chief	
Budget Impact	Expenditure	

Consider filling the vacant sergeants’ positions to ensure supervisory integrity on all shifts. Supervisory structure within a police department is critical. Promoted personnel should be provided with supervisory training to include, at a minimum, Police Supervisory In-Service Training (POSIT), followed eventually by Police Executive Development Training (POLEX).

Police 05		Increase part-time positions
Target Date	Short Term	
Responsible Party	Police Chief	
Budget Impact	Expenditure control	

In consultation with the city’s labor counsel, evaluate the possibility of increasing part-time staffing in the police department administrative/parking enforcement position. Using part-time employees avoids legacy costs.

Police 06		Relocate the police department server
Target Date	Short Term	
Responsible Party	Police Chief	
Budget Impact	Potential STMP Phase II match	

Move the police department server and associated IT infrastructure to a secure, environmentally controlled space. The police department server and associated IT equipment currently are in various locations throughout the department.

Police 07 Upgrade surveillance cameras	
Target Date	Short Term
Responsible Party	Police Chief
Budget Impact	Potential grant match

Consider upgrading the surveillance cameras (video and audio) in the cell block area. Prisoner holding is a high-risk activity. High resolution video and audio, along with proper policies for prisoner intake screening and monitoring, are critical risk mitigation components. At a minimum, the city should ensure workable video in all areas of the facility accessed by the public or persons in custody. Grant funding can be sought for facility improvements.

Police 08 Draft Continuity of Operations Plan	
Target Date	Short Term
Responsible Party	Police Chief
Budget Impact	Potential STMP Phase II match

Consider drafting a Continuity of Operations Plan that would identify alternate locations appropriate for both short and long-term operational use, ensure IT/records management back-up, communications, re-location of evidence, etc. Police departments providing mission critical services to a community must be prepared for all exigencies, i.e., storm damage, fire damage, water damage, or any other circumstance that would render police department headquarters unusable.

Police 09 Replace the backup generator	
Target Date	Short Term
Responsible Party	Police Chief
Budget Impact	Potential grant match

Consider seeking grant funding to replace the back-up generator. A back-up generator would provide mission critical continuity of operations in times of emergency such as loss of primary power.

Police 10 Publish annual operations report	
Target Date	Short Term
Responsible Party	Police Chief
Budget Impact	N/A

Consider publishing an annual operations report and sharing with internal and external stakeholders. The report should thoroughly document all aspects of police department operations with the goal being transparency and education of all stakeholders.

Police 11	Social media policy
Target Date	Short Term
Responsible Party	Police Chief
Budget Impact	N/A

Consider assigning social media to a select number of personnel, sworn or otherwise, trained in public relations and communications. The department uses Facebook, Twitter, and CrimeWatch. Communication on all platforms should be frequent, providing up to date information or followers will tend to disregard the sites.

Police 12	Housing prisoners off-site
Target Date	Long Term
Responsible Party	Police Chief
Budget Impact	Expenditure control

Consider evaluating alternatives to housing prisoners in the police department facility. Alternatives to be considered include the local Pennsylvania State Police facility located in Lewis Run, PA and the McKean County Prison facility, located in Smethport, PA. Housing prisoners off-site would add time in custody during transportation but would alleviate the need to monitor prisoners for extended periods of time while in custody and ultimately would reduce risk to the city.

Police 13	Improve environmental conditions in police facility
Target Date	Long Term
Responsible Party	Police Chief
Budget Impact	Potential expenditure

Investigate options to improve environmental conditions in “environmentally challenged” areas of the police facility. For example, the block walls in the cells are outside facing walls that make it difficult and costly to maintain consistent heat in the cells.

Police 14	Pursue accreditation
Target Date	Long Term
Responsible Party	Police Chief
Budget Impact	N/A

Consider pursuing accreditation through the Pennsylvania Chiefs of Police Association.

Department of Property Maintenance

PM 01	Ensure communication between departments
Target Date	Immediate
Responsible Party	City Manager; appropriate department heads
Budget Impact	N/A

The city should ensure effective communication exists between property maintenance, the codes and permitting functions of the fire department, and OECD. In the long-term, the city should consider moving permitting, building code inspections, and restaurant/health inspections from the fire department and consolidating with property maintenance to form a new department.

PM 02		Evaluate rental registration and inspection program
Target Date	Ongoing	
Responsible Party	City Manager; appropriate department heads	
Budget Impact	N/A	

The city should regularly evaluate its rental registration and inspection program to ensure that the goals and objectives of the program are being met, i.e., ensuring the health, safety, and welfare of renters and battling blight by ensuring that the city's housing stock is maintained to appropriate standards.

Fire Department

FD 01		Review Standard Operating Guidelines
Target Date	Short Term	
Responsible Party	Fire Chief	
Budget Impact	N/A	

Continue to review the Standard Operating Guidelines on an annual basis ensuring that all guidelines are updated to reflect current best practices, based on available staffing and available equipment.

FD 02		Evaluate combining fire stations
Target Date	Short Term	
Responsible Party	Fire Chief	
Budget Impact	Potential STMP Phase II match	

Evaluate the feasibility of consolidating the two current fire stations into one centrally located facility. STMP Phase II funding can be considered for planning efforts specific to station consolidation.

FD 03		Seek funds to purchase a backup generator
Target Date	Short Term	
Responsible Party	Fire Chief	
Budget Impact	Potential grant match	

Consider seeking grant funding to facilitate the purchase and installation of a back-up generator, allowing for mission critical continuity of operations in times of emergency which includes a loss of primary power.

FD 04		Replace aerial
Target Date	Short Term	
Responsible Party	Fire Chief	
Budget Impact	Potential grant match	

Plan for a replacement aerial in 2023 based on NFPA standards. Consider incorporating the capital purchase into a ten-year capital replacement plan. Grant monies and low interest loans should also be considered to facilitate the replacement of Tower 1.

FD 05		Replace engine
Target Date	Short Term	
Responsible Party	Fire Chief	
Budget Impact	Potential grant match	

Consider replacing reserve apparatus 1997 KME Engine. This piece of equipment is reported to be in fair condition with some mechanical issues. The engine reportedly passes the annual pump test. This apparatus should be considered for replacement, if and when financial resources allow. Incorporating the replacement of the reserve apparatus is secondary only to the priority replacement of Tower 1. The replacement of the reserve engine may need to be advanced in priority if mechanical issues accelerate in both frequency and maintenance cost.

FD 06		Backup turnout gear
Target Date	Long Term	
Responsible Party	Fire Chief	
Budget Impact	Potential grant match	

Consider including second set, or back-up, turnout gear for all members, into a capital purchase/replacement plan, allowing for the prioritization of the city's needs. The city can also then consider seeking an additional round of grant funding to facilitate the purchase.

FD 07		Coordinate with county on radio upgrades or replacement
Target Date	Long Term	
Responsible Party	Fire Chief	
Budget Impact	Potential expenditure or grant match	

Actively monitor and coordinate with the McKean County Department of Emergency Services to ensure appropriate funding, if and when the county's radio system is upgraded or replaced.

FD 08		Reevaluate service delivery
Target Date	Long Term	
Responsible Party	City Manager	
Budget Impact	N/A	

Regularly re-evaluate service delivery to residents specific to permitting and inspections. In the long-term, the city should consider moving permitting, building code inspections, and restaurant/health inspections from the fire department and consolidating with property maintenance to form a new department.

Collective Bargaining and Labor

CB 01		Develop an overall cost containment strategy
Target Date	In conjunction with collective bargaining	
Responsible Party	Labor attorney	
Budget Impact	Expenditure control	

The strategy must be strictly followed and applied in all future collective bargaining negotiations with all employee groups. The city should avoid future retirement incentives and popular "cost

reduction” schemes that end up providing costly benefits to city employees at the expense of the city’s taxpayers.

The cost containment strategy should focus on all forms of employee compensation and remuneration to reduce the city’s total personnel costs. This means that until a cost containment strategy has been implemented, and the city has reaped tangible cost reduction benefits any expansion of current employee benefits, especially in the areas of employee health care, pension and other OPEBs, should be avoided.

CB 02 Shorten collective bargaining agreement terms	
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

Until the city has a stable fiscal outlook, and until it has in place effective cost containment controls, new collective bargaining agreements should be kept to the shortest possible term. Such a strategy will provide the city with the flexibility to contain costs on an ongoing basis and avoid a reduction in services. In the past, the city has entered into lengthy collective bargaining agreements—to-wit, the current police CBA spans five years.

CB 03 Conduct a benefits audit	
Target Date	As needed
Responsible Party	City Manager
Budget Impact	Expenditure control

The city should conduct a benefits audit to determine the benefits provided to each bargaining unit and the cost of such benefits. The audit should include a breakdown of all compensation including:

9. Health care plans and the cost thereof;
10. Other insurance plans provided and the cost thereof;
11. Insuring only eligible employees are covered by all insurance plans provided by the city;
12. Pension benefits;
13. Paid time off provided to each employee group;
14. Verify procedures are in place in all city departments to accurately account for accrued unused leave time as well as used time off;
15. Employee classification audit to ensure compliance with the FLSA;
16. Verify procedures in place in all departments to ensure work time is properly and accurately recorded

CB 04 Reduce health care costs	
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

Seek to lower costs through a combination of employee cost sharing and plan restructuring to include increasing deductibles and co-pays.

CB 05 Continue to conduct health care eligibility audits	
Target Date	Ongoing
Responsible Party	Labor attorney
Budget Impact	Expenditure control

Eligibility coordination rules for employees who have access to health care elsewhere should be developed for all employees and retirees. Periodic eligibility audits should be conducted. The CBAs already have the basis from which such audits can be launched for retirees. It should be expanded to current employees as well.

CB 06 Fair share language	
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

Any contracts which include language which provides, among other things, for deduction of fair share fees which have been made illegal by *Janus v. AFSCME*, 585 U.S. ____; 138 S. Ct. 2448; 201 L. Ed. 2d 924 (2018). Those provisions (*see, c.f.*, Article 2, Section 2.5 in the non-uniform CBA and Section 3.3 of the uniformed contract). This language should be negotiated out of any CBA and there should be no collection of fair share fees.

CB 07 Managerial Rights	
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

Both the non-uniform and the uniform contracts should contain more robust managerial rights language which reserves to the city the right to undertake certain actions including, but not limited to, subcontract work when necessary.

CB 08 Hours of Work	
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

Any limitation on the ability of the city to reschedule shifts, employees, officers, and duties should be revised or eliminated. While there can be some additional pay for those employees whose hours are shifted within a short period, the city must have the right to schedule resources on different schedules which include a Tuesday through Saturday schedule or different shifts when the work required by the city compels such a shift.

CB 09 Payment for Holiday Work	
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

Individuals who work on holidays are paid either an aggregate amount of time and one half plus leave time. This is not required by the FLSA or any other law. While it is understandably difficult to be scheduled or called out on a holiday, this excessive pay rate seems counterintuitive to the city’s

interests. This rate does not even kick in if the employee is scheduled to work for more than one holiday which might be more understandable.

CB 10		Payment for Accumulated, but Unused, Leave Time
Target Date	In conjunction with collective bargaining	
Responsible Party	Labor attorney	
Budget Impact	Expenditure control	

The labor contracts contemplate the sale back of accumulated, but unused, sick and vacation time on separation with no adjustment for the means of separation. That means that, even if an employee is terminated for misconduct, the employee is entitled to payment of accumulated, but unused leave time. That payment—if made—should be made only if an employee reaches superannuation retirement. For all employees and for all contracts, the practice of paying for accumulated, but unused leave time in all categories should end for new hires.

CB 11		Selection and Promotion
Target Date	In conjunction with collective bargaining	
Responsible Party	Labor attorney	
Budget Impact	Expenditure control	

Selection and promotion should be based on experience and qualifications with seniority as the tie breaker if candidates are equal in experience and qualifications.

CB 12		Minimum Manning
Target Date	In conjunction with collective bargaining	
Responsible Party	Labor attorney	
Budget Impact	Expenditure control	

There are certain proposals that suggest that the city agree to mandate a minimum complement of employees on various shifts. While there are some instances in which the city does not have to replace an officer who is unable to work, the provision is, in essence, a minimum manning clause. Pennsylvania courts have stricken these mandatory minimum manning clauses as an illegal intrusion into a city's non-delegable managerial rights.

IAFF and Police

CB 13		Regional Cooperation
Target Date	In conjunction with collective bargaining	
Responsible Party	Labor attorney	
Budget Impact	Expenditure control	

The city should continue to explore opportunities with both the volunteer fire service as well as neighboring departments to allow the city to better leverage its trained fire fighting force. To the extent that non-city assets can be used on the call box sheet to cover incidents while the city is engaged elsewhere, while obviating the necessity to strike a second alarm or call-in assets at a higher call-in rate, the city should incorporate those issues into the existing contractual rules. Similar considerations apply to the police.

CB 14		Civilianize Inspections/Zoning and Safety
Target Date	In conjunction with collective bargaining	
Responsible Party	Labor attorney	
Budget Impact	Expenditure control	

The fire chief oversees building and health as well as planning and zoning. This includes restaurant and building inspections, and the city’s health director. The city should consider outsourcing these non-fire functions to civilian, non-union employees. Alternatively, to the extent that the roles of the inspectors may not create a community of interest with the firefighters, the city might consider the filing of a unit clarification petition seeking to remove these positions from the IAFF CBA.

CB 15		Wages
Target Date	In conjunction with collective bargaining	
Responsible Party	Labor attorney	
Budget Impact	Expenditure control	

Keep wage increases closer to the historic cost-of-living increase over the last 10 years of 1 percent to 2 percent. Consider freezing the base salary for future hires so that they do not step up the salary scale at an increasing rate. Consider a cash bonus at the top of the wage scale rather than a percentage increase on base wages that continues to grow the base wage.

CB 16		Health care
Target Date	In conjunction with collective bargaining	
Responsible Party	Labor attorney	
Budget Impact	Expenditure control	

Continue seeking to increase the health care contribution amount or lessen the number of lives covered by its insurance.

Continue the city’s current initiative to bargain in a requirement that spouses or dependents who have coverage available to them take that coverage rather than city coverage. Continue the city’s initiative that clarifies that any individual who receives an opt-out for not taking health care benefits also be ineligible for dental and vision benefits.

Continue to seek contributions from the employees expressed as a percentage of premium. Target 3 percent to 5 percent of premium and seek to increase those percentages at a rate of 1 percent a year.

Seek additional changes to its current prescription and copays to incentivize better health care choices from employees. Enforce a generic mandatory requirement with a step up to non-generic only if a physician requires it. Increase the specialist/urgent care cost to at least \$50 and the emergency room to \$150 to incent individuals to have a primary care physician.

CB 17		Pension
Target Date	In conjunction with collective bargaining	
Responsible Party	Labor attorney	
Budget Impact	Expenditure control	

Consider eliminating the provision of a non-service disability pension. Consider a renegotiation of the current percentages for disability pensions, a review of setting the Social Security offset to 100

percent, an elimination of the COLA for new hires and the redefinition of pensionable salary to base salary only.

CB 18	Leave Days
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

Eliminate compensatory time for all hourly employees. In the alternative, pay all compensatory time (which cannot be forfeited) at the end of each year so that the cost of compensatory time does not increase. Expansion of leave benefits should only be made in trade for some significant economic value.

CB 19	Guaranteed Apparatus
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

The IAFF has asked the city to guarantee the number of apparatuses in service during the term of the CBA. That is a managerial right which the city should never bargain away.

CB 20	Efficiency Study
Target Date	As needed
Responsible Party	City Manager
Budget Impact	Expenditure control

The city should consider a staffing or efficiency study every five years to ensure that its staffing levels are not being affected by the terms or the use of the language of the CBA.

CB 21	Use of part-timers
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

Consider the use of part time police officers who do not require the same level of benefit support as full-timers. Part-timers can cut down on overtime and allow departments to bridge temporary staffing disruptions based on the unavailability of full-time personnel.

AFSCME and TEAMSTERS

CB 22	Continue with current initiatives
Target Date	In conjunction with collective bargaining
Responsible Party	Labor attorney
Budget Impact	Expenditure control

The city should continue with its current bargaining initiatives:

- Reduce base pay for employees hired on or after January 1, 2022, to 10 percent less than those hired on or before January 1, 2021.

- For new personnel in the Department hired on or after January 1, 2021, reduce starting pay to 80 percent of base wage, after 12 months 87.5 percent, after 24 months 94.5 percent after 36 months
- Reduce longevity to \$65.00 per year with a maximum of \$1,300 annually
- Change on call time from 125/week to 17.86 /day
- Include in the contract incentives for employees to retain their CDL licenses in the form of agreed to sanctions should they lose to ability to drive under a CDL.
- If a member's spouse or adult dependent(s) are employed and eligible medical coverage from his/her employer, they must elect coverage through his/her employer. The employed eligible spouse will not be eligible for coverage under the city's health plan. Proof of insurance will be required. Employee and his/her dependent children may be placed on and remain on the city's plan.
- If a member is receiving opt-out pay the employee, spouse nor any dependents will not be eligible for Dental or Vision through the city.
- Introduce new wording concerning paid sick time: Each member will be eligible for 10 sick days per year, each employee will receive an additional 11 days per year that will go into the employees Sick Bank. In the event the employee is off for more than 10 continuous working days due to illness or injury the employee may then use their bank of sick time.
- Remove buy back of sick leave in the event of a layoff.
- Change pension to be based on salary not earnings.